
Report To:	Environment & Regeneration Committee	Date:	29 October 2020
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	ENV/031/20/SC/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Corporate Asset Management Strategy Refresh		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the progress in respect of the refresh of the Council's Corporate Asset Management Strategy.

2.0 SUMMARY

- 2.1 The Council implemented Asset Management Planning and published its first Corporate Asset Management Strategy in March 2009 which set out the Council's Strategy for managing and modernising its Property Assets. The second Corporate Asset Management Strategy was published in September 2016 covering the period 2016 to 2018.
- 2.2 The third Corporate Asset Management Strategy (appended) is intended for the period 2019 to 2022.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approve the 2019-22 Corporate Asset Management Strategy.

Scott Allan
Corporate Director
Environment, Regeneration
& Resources

4.0 BACKGROUND

- 4.1 The Council implemented Asset Management Planning and published its first Corporate Asset Management Strategy in March 2009 which focused mainly on land and buildings and set out the Council's Strategy for managing and modernising its Property Assets. The second Corporate Asset Management Strategy, as approved by the September 2016 Environment & Regeneration Committee, covered the period 2016 to 2018 and provided an updated position on all asset strands including the Asset Management planning framework addressing the various asset sub-groups beyond land and buildings.
- 4.2 The Environment, Regeneration & Resources Corporate Directorate Improvement Plan 2019-22, approved at the May 2019 Environment and Regeneration Committee, included a Service Improvement Action (CA4) to refresh the 2016/18 Corporate Asset Management Strategy to reflect the current position and the progression of the supporting Asset Management plans across the various asset sub-groups. The action originally targeted completion by the end of 2019 however resource pressures and COVID have resulted in a delay to completion.

5.0 PROPOSED CORPORATE ASSET MANAGEMENT STRATEGY 2019-22

- 5.1 Since the original 2009 Corporate Asset Management Strategy there has been significant change and improvement in terms of Council structure, service delivery and the advancement of strategic asset management plans. The previous edition of the Corporate Asset Strategy (2016/18) reflected the following key developments:
- The phased Modernisation/Transformation programme and new Corporate Structure.
 - The current framework of Corporate Planning strategic documents.
 - The formulation of Asset Management Plans for key corporate asset sub-groups and the financial strategies that underpin them.
 - The establishment of Corporate Development Improvement Plans and utilisation for self-evaluation through the Strategic Planning and Performance Management Framework.
- 5.2 The third edition of the Corporate Asset Management Strategy (2019/22) reviews and updates all of the elements above and links with the best value elements of performance management and demonstrating continuous improvement in the delivery of services. The format of the document remains broadly as in the previous edition which reinforced/demonstrated the approach to achievement of corporate objectives through a strategic approach to Asset Management and the links with the Council's strategic outcomes.

6.0 IMPLICATIONS

6.1 Finance

There are no financial implications arising from this report.

6.2 Legal

There are no legal implications arising from this report.

6.3 Human Resources

There are no HR implications arising from the contents of this report.

6.4 Equalities

- (a) Has an Equality Impact Assessment been carried out?

	YES
X	NO - This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO

6.5 Repopulation

The regeneration works outlined in this report should contribute to retaining and increasing the population within the area. There are no repopulation issues.

7.0 CONSULTATION

7.1 There are no direct staffing implications in respect of the report and as such the Head of Organisational Development, Policy and Communications has not been consulted.

7.2 This report has been produced in consultation with the Corporate Director Environment, Regeneration & Resources and Chief Financial Officer.

7.3 All relevant officers connected with delivery of the asset management plan sub-groups within the Strategy have also been consulted.

8.0 LIST OF BACKGROUND PAPERS

8.1 None



Corporate Asset Management Strategy

2019-2022

Inverclyde
council



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1.0 Introduction and Context

1.1 Foreword by Corporate Director Environment, Regeneration and Resources

I am pleased to present the updated Corporate Asset Management Strategy for 2019/22. Clearly defined strategies are vital to effective Asset Management and the performance of Inverclyde Council.

The 2019/22 Corporate Asset Management Strategy outlines the Council's approach to Asset Management and how this supports and contributes to the delivery of the strategic priorities in the Inverclyde Alliance's Outcomes Improvement Plan 2017/22 and the Inverclyde Council's Corporate Plan 2018/22, as well as the delivery of the shared wellbeing outcomes to ensure that all our residents are Safe, Healthy, Achieving, Nurtured, Active, Respected and Responsible and Included.

Over the last ten years the Council has undertaken a significant amount of work on Asset Management Planning. The first Asset Management Plan related to the School Estate (SEMP) which resulted in an ambitious and comprehensive new build and upgrade programme for the full School Estate. Thereafter asset plans were created in respect of the main leisure facilities, the roads assets, office and depot assets, ICT assets and most recently, open spaces. All Asset Management Plans are linked to The Council's Organisational Priorities via the Corporate Directorate Improvement Plans (CDIPs) with delivery reported throughout the year both as part of the CDIPs but also via cyclical Capital Programme updates.

Perhaps the most significant challenge for the Council over the life of the plan will be the continued delivery of high quality services with a reduced budget. The Council is also committed to working collaboratively with other public bodies and sectors including building on the existing collaboration with West Dunbartonshire and other Councils to achieve more effective use of combined assets.

The impact of COVID-19 on Inverclyde has been significant with the pandemic continuing to affect how the Council delivers its services. The Council, through its COVID-19 Organisational Recovery Plan, the Inverclyde Alliance partnership recovery plan, and the co-ordinated work across the council's three directorates, continues to support the Inverclyde community and the rebuilding of public services and the local economy.

The Corporate Asset Management Strategy is a live document, subject to continuous challenge and review, which provides a framework for the efficient management of the Council's core assets.



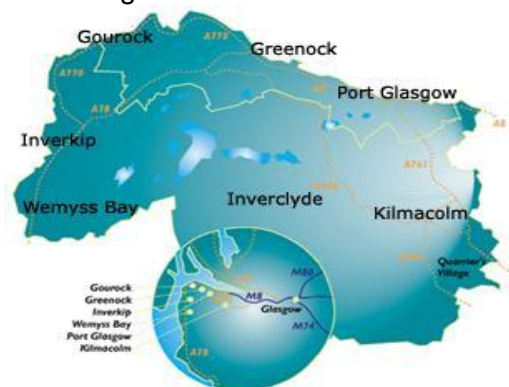
Scott Allan
Corporate Director Environment, Regeneration and Resources

1.2 The Council

The Inverclyde Area

Inverclyde is located in West Central Scotland and is one of the most attractive places in Scotland to live and work. The population of Inverclyde is approximately 78,000 people. With 61 square miles stretching along the south bank of the River Clyde, the area offers spectacular views and scenery, a wide range of sporting and leisure opportunities, a vibrant housing market and well developed transport links to Glasgow and the rest of Scotland.

The main towns of Greenock, Port Glasgow and Gourock sit on the Firth of the Clyde. The towns provide a contrast to the coastal settlements of Inverkip and Wemyss Bay which lie to the South West of the area and the picturesque villages of Kilmacolm and Quarriers Village which are located further inland, and offer a further dimension to the area's diversity, particularly in social, economic and physical terms.



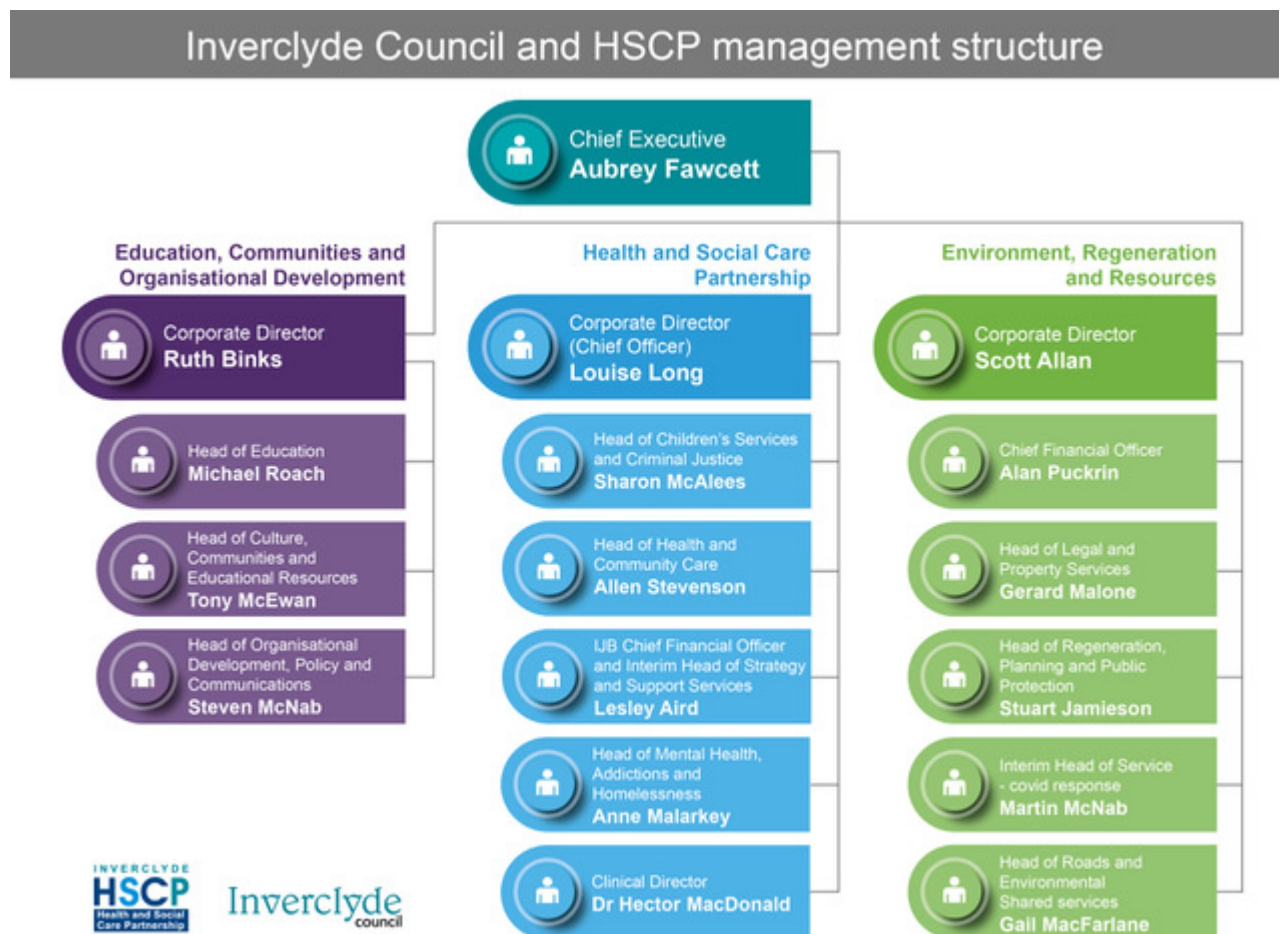
The population of Inverclyde has been falling for a number of years. At the time of the 1991 Census the population was 90,103, however by the 2001 Census the population had fallen to 84,203, representing a depopulation rate of 6.55% over the 10 year period. While the population for the area has dropped further since the 2001 census, the 2011 census figures indicate that the rate of decline has halved. The 2018 mid-year population of Inverclyde was estimated at 78,150 as at 30 June 2018, according to the National Records of Scotland mid-year population estimate, published in April 2019. By 2039 the population of Inverclyde is projected to have fallen to 71,399, a decrease of 10% compared to the estimated population in 2016 (source: National Records of Scotland Population Projections for Scottish Areas 2018).

Projections over the 25 year period 2016-2041 – indicate that the age group that is projected to increase the most in size in Inverclyde is the 75+ age group which is the same for Scotland as a whole. A definite growing elderly population will impact on the provision of specific public sector services, particularly health and social care. The population aged under 16 in Inverclyde is projected to decline by 14.9% over the 25 year period. The decline in the area's working age population undermines the ability of existing firms to source labour locally and has the potential to undermine the area's attractiveness to potential inward investors with obvious implications for the local economy.

Corporate Structure

As part of the Council's Transformation Programme there has been a phased reorganisation of the Corporate Management Structure. This has resulted in the move to a three directorate model in April 2012 (see diagram below) with further management restructures within this model in connection with budget savings proposals agreed in March 2018 to be implemented on a phased basis and completed post 2020.

The current structure has reinforced the previous philosophy of moving away from having a corporate centre by integrating corporate functions into service directorates as far as practicable to help reinforce the essential corporate and collegiate working within the organisation.



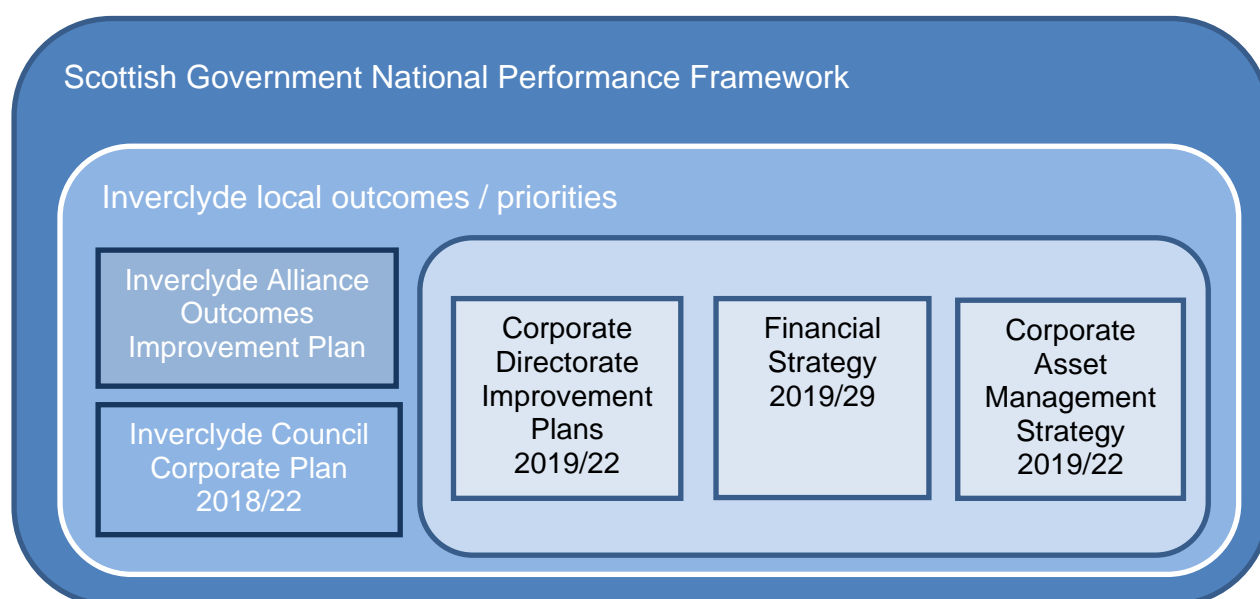
1.3 Corporate Planning

Strategic Objectives

Corporate planning in Inverclyde is conducted under the overarching framework of the Inverclyde Alliance Outcomes Improvement Plan 2017/22, which set outs the key priorities of the council and its partners for the area and the Inverclyde Council Corporate Plan 2018/22 which set out in more detail the councils organisational priorities.

You can find the Inverclyde Council Corporate Plan 2018/22 and other policy documents on the councils website :

<https://www.inverclyde.gov.uk/council-and-government/strategies-policies-and-plans>



The Inverclyde Alliance Outcomes Improvement Plan sets out the outcomes that the community planning partners in Inverclyde, known as the Inverclyde Alliance, will seek to improve, which in turn should improve the wellbeing and quality of life of the residents of Inverclyde, with a particular focus on reducing inequality and poverty.

To inform the development of the Outcomes Improvement Plan the Alliance produced a Strategic Needs Assessment to help identify areas of particular need and carried out an area wide consultation to establish what the priorities of our communities are through the 'Our Place Our Future' Survey. As a result, three strategic partnership priorities for the area were identified:

1. Population

Inverclyde's population will be stable and sustainable with an appropriate balance of socio - economic groups that is conducive to local economic prosperity and longer term population growth.

2. Inequalities

There will be low levels of poverty and deprivation and the gap in income and health between the richest and poorest members of our communities will be reduced.

3. Environment, Culture and Heritage

Inverclyde's environment, culture and heritage will be protected and enhanced to create a better place for all Inverclyde residents and an attractive place in which to live, work and visit.

Partnership Action Groups have been established to take forward the delivery of these priorities with regular progress reports provided to the Inverclyde Alliance.

Inverclyde Council Corporate Plan 2018/22

Inverclyde Council's Corporate Plan sets out the council's priorities that are aimed at delivering improved outcomes for all residents, particularly those suffering from inequality; those who are living in poverty and those who are vulnerable or disadvantaged.

As a key community planning partner, the Council has a central role to play in supporting the work and aspirations of the Inverclyde Alliance and this is reflected in a number of our organisational priorities.

Our organisational priorities that support the delivery of the Inverclyde Outcomes Improvement Plan are:

- To promote Inverclyde, to both residents and visitors alike, as a great place to live, work, study and visit
- To work collaboratively to enable strong, connected and empowered communities, particularly in areas of deprivation, so that residents have influence and control over the things that matter to them
- To grow the local economy in a way that creates opportunities for all our residents, including access to good quality jobs and lifelong learning
- To reduce the prevalence of poverty and in particular, child poverty in our communities
- To safeguard, support and meet the needs of our most vulnerable families and residents
- To improve the health and wellbeing of our residents so that people live well, and for longer
- To protect and enhance our natural and built environment
- To preserve, nurture and promote Inverclyde's unique culture and heritage

We recognise that the way in which we work will have a significant bearing on how successful we are in making a positive difference. With this in mind, we have agreed two further priorities that focus on how, as an organisation, we aim to deliver our services. These priorities are organisational 'enablers' which will ensure the delivery of excellent services that will in turn, deliver improved outcomes for the communities of Inverclyde. As a Council, continuous improvement is at the core of all our planning and development and these enabling priorities will ensure we continually strive for excellence to become a stronger, more effective organisation.

Our organisational priorities for the Council are:

- To deliver services that are responsive to community needs and underpinned by a culture of innovation, continuous improvement and effective management of resources
- To develop motivated, trained and qualified employees who deliver quality services that meet current and anticipated service needs

Together, these strategic documents form the basis of all the improvement activity in the Council's Corporate Directorate Improvement Plans as well as individual service plans and strategies. The actions contained within every Council Plan or Strategy must contribute to the delivery of the council's Vision, as well as its strategic and organisational priorities

1.4 Asset Management

The Vision

Inverclyde will provide a modern, efficient and sustainable asset portfolio that fully meets the needs of its existing and future service users and employees

Approach

Asset Management is widely recognised by the Scottish Government, Property professionals and Public Bodies as vital to optimising the use and management of property assets with the aim of releasing financial and service benefits. Assets are the second largest cost to the public sector after payroll costs and the approach to asset management can influence both the quality of public services and the money that is available to the frontline and other services.

The Council manages a large and diverse property portfolio and depends on relevant up-to-date, accessible information to allow the Council to make informed decisions on the use of assets. Asset management is a key part of the Council's overall drive to secure best value in service provision and is a major work stream to ensure that assets are used effectively and efficiently and can support significant long-term efficiency savings.

The Council has implemented Asset Management Planning and published its first Corporate Asset Management Strategy in March 2009 which set out the Council's Strategy for managing and modernising its Property Assets. The second Corporate Asset Management Strategy covered the period 2016 to 2018. This is the third revision of the Strategy and is intended for the period 2019 to 2022.

The Corporate Asset Management Strategy:

- Delivers a corporate and coordinated approach to asset management
- Provides clear arrangements for the management of assets
- Regularly measures the performance of assets
- Comments on the deliverability of Asset Management Plans within the context of projected capital and revenue resources
- Ensures a fully documented process for the prioritisation of capital investment

The effective use of Council assets is a key priority for Inverclyde and the Corporate Asset Management Strategy drives forward proposals which:

- Maximise the efficient and effective use of assets
- Provide quality accommodation and services for customers and staff
- Release under-used and revenue-demanding assets
- Assist in the rationalisation and modernisation of public services within Inverclyde
- Support the Inverclyde Outcomes Improvement Plan

Partnership / Collaborative Working

The public sector landscape has changed significantly over the last 10-15 years in Inverclyde. The development of this mixed economy of public service provision presents new challenges for the Council as it seeks to ensure that outcomes are achieved and that resources are being deployed effectively and efficiently. This is particularly relevant in the context of the Local Outcome Improvement Plan (LOIP) where there will need to be a robust appraisal of whether existing service delivery arrangements across all partner agencies can effectively deliver on the agreed outcomes.

Riverside Inverclyde

Riverside Inverclyde is a joint initiative between the Council and Scottish Enterprise to regenerate 330 acres of the Clyde Waterfront scheduled to run from 2006/7 until 2017/18.



The Council's contribution towards Riverside Inverclyde was originally to be £24 million over the ten year period. In addition the Council has made contributions in kind by transferring specific assets to the Urban Regeneration Company which will count towards the £24 million contribution and a further £6.1 million financial support to specific major Regeneration projects led by Riverside Inverclyde.

Following the most recent governance review it was agreed by the Council and Scottish Enterprise to change the operational governance model due to the reduction in major regeneration projects being progressed by Riverside Inverclyde. The revised arrangements became operational in the summer of 2019.

River Clyde Homes

River Clyde Homes is a not-for-profit housing organisation, which is run by a Board of Tenants, Council nominees and community members. It is regulated by the Government to ensure that it manages housing in the best interests of the tenants of Inverclyde, and the community as a whole.



The transfer to River Clyde Homes of all the Council housing stock was based on significantly more money being available to invest in homes and neighbourhoods and give tenants a real say in the decisions that are made about their housing, with tenants on the Board influencing policies and investment decisions.

Inverclyde Leisure

Inverclyde Leisure is a 'company limited by guarantee', not having share capital and recognised by HMRC and OSCR as having charitable status. In October 2001, the Trust was asked to take responsibility for the management and delivery of Inverclyde Council's sport and recreational services.



The Leisure Trust works in close partnership with Inverclyde Council and other internal and external agencies in order to develop the optimum service for residents and visitors to Inverclyde and so to ensure the Trust's Mission Statement is implemented.

The Council's Community Facilities transferred to Inverclyde Leisure in April 2010 and the transfer of the management of Outdoor Leisure Facilities to Inverclyde Leisure took place in April 2015. Members agreed in November 2019 to the transfer of Whinhill Golf Course to Inverclyde Leisure from 2020/21 Season. Inverclyde Leisure has revised its Business Planning process and a new Business Plan is reviewed annually by the Council.

The Council's percentage contribution to the Leisure Trust has reduced considerably and is currently under 30% of the Leisure Trust turnover.

Inverclyde Health and Social Care Partnership

The Council and Greater Glasgow and Clyde Health Board established an integrated Community Health and Care Partnership in October 2010. This resulted in greater partnership working and efficiencies in line with the Government's stated objective of integrating aspects of Health & Social Care.



The Public Bodies (Joint Working) Act 2014 resulted in the creation of a HSCP Integrated Joint Board (IJB) during 2015/16 and required a revised Governance and Financial framework. The IJB is a separate legal entity and will receive resources from and delegate resources to the Council and Health Board. The Council was well placed to meet this challenge given the 4 successful years of CHCP operation.

The financial integration became live in April 2016 at a time of continued increasing demands on Council Budgets as the Partnership focuses on building community resources to support the delivery of health and social care services, including the acute sector. The early years have proven successful with the finances of the IJB being well managed with reserves increased in order to meet the demographic demands. The capital investment requirements for assets remain the responsibility of the respective asset owners i.e. Council and Health Board.

Community Groups

The Community Empowerment (Scotland) Bill received royal assent on 24 July 2015. The Act places new duties on the Council and its partners to provide new rights for community bodies. The Act came into effect in July 2016 and is beginning to have a significant impact on the way the Council interacts with the Community.



The Council currently has a Community Council Liaison protocol and provides on-going training, guidance and support for Community Council's and their members through the Community Learning and Development Service (CLD). The Council also provides grant funding to support Community Council's and works in partnership with them, and other community interest groups, on specific projects including providing capital funding contributions. The Council is committed to working in the spirit of the new act to promote community sustainability and deliver services and targeted investment to those community assets in the greatest need.

Scottish Government / Scottish Futures Trust

The Scottish Futures Trust (SFT) has been tasked by Scottish Government with working collaboratively across the public sector to add value and take forward a programme management role for improving property asset management across the whole of the Scottish Public Sector.



The SFT have published a number of reports on asset management including “What can we do with the office?” and “What can we do with our depots?” which were designed to help public sector organisations achieve the most benefits from their property estate through portfolio remodelling, intensifying space use, increasing space utilisation, and creating opportunities across organisations to share service and space provision. This guidance was considered in the Council’s Office and Depot Asset Management Plans. The Council has also worked with the SFT on a number of the Education projects delivered through the School Estate Management Plan (SEMP) with grant support provided as part of the Scotland’s Schools for the Future programme.



A number of the projects delivered under the SEMP have been in partnership with hub West Scotland. Managed by the SFT, the Scotland-wide hub programme is based on a partnership between the public and private sectors to deliver new community facilities. Since becoming a Participant in 2013 five major Education projects have been delivered through the hub model with a further two currently in the development stage.

City Deal

The Clyde Valley Councils which together cover the ‘City Region’ of Glasgow have collectively pursued a bid to the UK Government to establish a City Deal Agreement, similar to those established in England, with a view to bringing forward a major investment programme to stimulate economic growth for the benefit of residents and businesses in the Glasgow City Region.



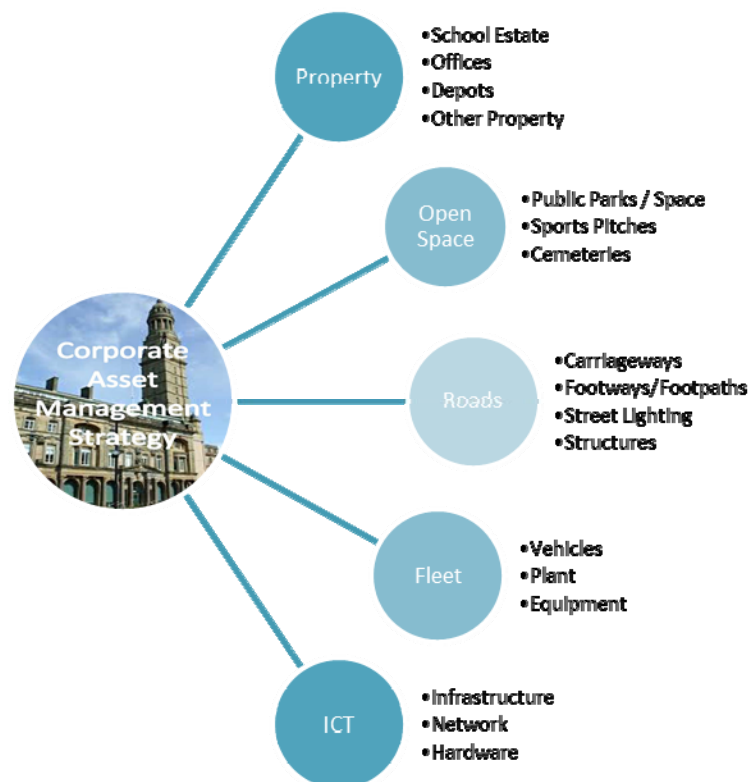
Although not a specific Asset Management Plan the Council does have major investment plans in relation to the Glasgow Region City Deal which has a £1.13 billion Capital Infrastructure investment programme covering the 8 Local Authorities in the Glasgow City region. Inverclyde Council currently has 3 projects in various stages of development with an estimated Capital cost of £22.4 million.

Resource

The Head of Legal and Property Services has overall responsibility for the on-going development and implementation of the Corporate Asset Management Strategy. Support is provided by the Officers from the various Services who are responsible for the implementation of the individual asset plans for sub groups out with land and buildings. A summary of the asset sub-groups and the Services responsible for implementation is included below.

Asset Plans

In accordance with the CIPFA “Guide to Asset Management and Capital Planning in Local Authorities” the Council has prepared asset plans under five main sub-groups:



Links to Outcomes and Strategic/Organisational Priorities

The Council's vision will be achieved by improving outcomes for our residents and communities. The Council's organisational priorities are aimed at delivering these outcomes as set out in the Corporate Plan and the Inverclyde Alliance Outcomes Improvement Plan (outlined in section 1.3). These are implemented by means of the Financial Strategy, Corporate Directorate Improvement Plans, People and Organisational Development Strategy, and individual Service Statements and Standards which set out how each Directorate/Service area contributes to the corporate objectives and the outcomes listed in the Corporate Plan. The various strands of the Corporate Asset Management Strategy contribute to the achievement of these organisational priorities and outcomes.

1.5 Financial Strategy



Overview

The Financial Strategy establishes the policy framework for resource allocation within the Council over the medium to long term and is designed to support the delivery of the priorities contained within the Corporate Plan and the Inverclyde Outcomes Improvement Plan.

The Financial Strategy is a dynamic document which is monitored on an on-going basis by the Corporate Management Team and the Policy & Resources Committee, formally reviewed by the Council twice yearly in June and in December. The regular review ensures that the Strategy continues to support the Corporate Plan, the Inverclyde Outcomes Improvement Plan, and effectively links to our Corporate Directorate Improvement Plans.

The primary financial challenge facing the Council over the 2019/22 period, given the continued pressure on public sector budgets, will be to stay within the approved revenue budget and deliver a capital programme that continues to maintain a high level of investment in key infrastructure.

On 12 March 2020 the Council agreed the 2020/21 Revenue Budget. The approved Budget Strategy will deliver a balanced budget over the period to 2022/23, the life of the current Council. The current estimated funding gap over the 2 year period 2021/23 is currently £10.7million prior to any Council Tax increase but after the use of the £3million Budget Smoothing Reserve. One of the main challenges faced by the Council is therefore maintaining investment in assets whilst addressing a challenging budget shortfall.

Funding Sources

The Council's asset plans are underpinned by financial models that determine their affordability. An estimate is made of available resources, giving due consideration to the inter-dependencies between the capital and revenue budgets. The two main sources of funding are prudential borrowing and Scottish Government Grant. Other sources include; revenue contributions; use of earmarked funds; contributions from other organisations, one-off grants and capital receipts.

Prudential Borrowing

The Prudential Code for Capital Finance in Local Authorities was introduced on 1 April 2004. The Code enables councils to set their own limits whilst ensuring that the investment plans are affordable, prudent and sustainable. The Council can borrow over a number of years to augment its capital income, provided the resultant annual debt repayments can be accommodated within the revenue budgets for future years. The Council's Treasury Management Strategy (in accordance with the principles of the CIPFA "Treasury Management in the Public Services- Code of Practice") sets out the Council's Prudential Indicators, with regular reporting to Full Council.

Scottish Government Block Grant

Scottish Government general capital grant is a significant funding source for the capital programme. The current asset management plans and longer term investment strategies allow greater certainty around future capital spend for the post 2022/23 period due to the fact that asset management plans will continue to utilise nearly all available funding i.e. Schools, Operational Properties, Roads, Lighting, Vehicles, Open Spaces and ICT.

Given the difficult position the Council faces on revenue expenditure, it is essential that future capital expenditure proposals are largely self-financing through the release of other capital assets, use of Reserves as well as delivering efficiencies which will secure ongoing revenue savings.

It is hoped that Local Government Capital Grants may increase in the medium term. Given the major revenue financial pressures the Council needs to seriously consider using any increase in grant to reduce prudential borrowing/use of reserves rather than identifying new projects.

Capital Receipts

The Council has already identified through the Financial Strategy a reduced reliance on capital receipts and Government Grants in the medium term.

Other Funding

The Council has been successful in securing funding from other organisations e.g. Sustrans, SPT and additional funding support in connection with Scottish Government programmes such as Scotland's Schools for the Future and flood defences. In addition plans are in place to draw down funds from a range of earmarked reserves.

Links to Asset Management Strategy and Plans

The Council agreed a 4 year Capital Programme covering 2019/23 in March 2019 which continues to invest in improving service quality, delivering new infrastructure, enhancing service levels and upgrading existing assets.

The Financial Strategy also ensures that strategic initiatives which require long term revenue and capital commitments such as The City Deal, Asset Management Strategy and the School Estates Management Plan are locked down.

The Council has already approved a significant level of Prudentially Funded capital projects including investment in schools, leisure, a new depot, rationalisation of offices and vehicles. The combination of reduced funding and the economic position mean that the Council has to focus on maintaining key infrastructure whilst utilising prudential borrowing for specific capital projects.

The Council has developed longer term asset strategies which identify future investment required across the various asset categories and has set a medium term budget which supports those strategies. Looking beyond the current medium term budget becomes increasingly difficult with uncertainty around the level of funding likely to be available, the impact of the Scotland Act, Brexit and the use the Scottish Government will make of its new powers.

Capital Strategy 2020/30

The Capital Strategy 2020/30 presents a longer term view of the asset management, financial and other issues affecting capital expenditure requirements and delivery. The key purpose of the Capital Strategy is to explain how different facets of the Council's Treasury Strategy and Capital Programme interact and to allow Members to consider the affordability and sustainability of Capital investment decisions in the longer term.

Many of the decisions taken by the current Council will impact long after most current Members and Officers have left the Council but it is important that the Council takes a long term view when considering the sustainability of investment decisions. For the purposes of this Strategy, the longer term is viewed as being a period of 10-20 years.

Overall the Council is in a good position in respect of the development and delivery of Asset Management Plans and has sound governance processes in place. The Strategy confirms that the Council will need to have a modicum of prudential borrowing in order to maintain its asset investment in the medium to longer term and that by the mid 2020's the Council will need to start developing funding plans for major reinvestment or replacement of many of the assets built or comprehensively refurbished since local government reorganisation in 1996.

Overall the Capital Strategy demonstrates that current plans and requirements can be contained within the overall Financial Strategy and that the Council has a long term plan to maintain investment in assets within the Council's projected medium/long term funding envelope.

The current Strategy was approved in March 2020 and can be viewed online (<https://www.inverclyde.gov.uk/meetings/meeting/2253> - item 08).

COVID-19

This strategy document has been prepared at a time when the Council and its partners are working to implement arrangements to deal with the ongoing response to the COVID-19 emergency. The challenges posed by the current circumstances are profound and will require a continuous process of planning and preparation until its conclusion.

Regular reports are being presented to the Policy & Resources Executive Sub Committee in respect of the emerging financial implications of the COVID-19 Pandemic identifying costs attributable to the emergency and reductions in income. These costs are evolving and will continue to do so with the latest estimated net financial impact yet to be confirmed after taking into account the Scottish Government funding announced for Inverclyde Council and other funding being made available. The implementation of this strategy will require to be reviewed in the context of an updated Financial Strategy report planned for summer 2020 addressing the impact of the COVID-19 Pandemic on the Council's finances.

1.6 Oversight of the Corporate Asset Management Strategy

Governance

Elected Members, through Full Council and Committees are responsible for considering and approving budgets and the Financial Strategy for the Council. Approved budgets must be financially balanced and demonstrate value for money and sustainability.

All Policy decisions and approvals for individual asset plans are taken by the relevant Service Committee which also receives a report on progress of the Capital Programme at each meeting. Major strategic plans such as the School Estate Management Plan and associated funding model are reviewed annually and reported to the Service Committee. Regular reports on all major asset plans and associated funding models are also taken to the Policy & Resources Committee.

Organisation

A review of how the Council co-ordinated and monitored corporate projects and work streams was undertaken in early 2016 with a new streamlined approach agreed utilising the Corporate Directorate Improvement Plans (refer to Section 5).

In early 2017 the Council's Policy & Resources Committee received a comprehensive report setting out the progress made in terms of Transformation to date and the plans for the future. This future programme of work was called "Delivering Differently".

There are 3 Directorate Change Boards which meet monthly to monitor progress in the delivery of savings and projects which involve approved or potential changes in service delivery. Every 2 months the CMT reviews progress using a RAG status approach. The areas where there is the greatest potential change in service delivery are collated into a Delivering Differently programme which is reported annually to the Policy & Resources Committee. The projects within this programme form part of the continuous challenge and review of the Corporate Asset Management Strategy.

Risk Management

Risk management is nationally recognised as a vital component of performance management and improvement and is a component of self-evaluation. The Council has produced a Risk Management Strategy (<https://www.inverclyde.gov.uk/meetings/documents/3606/2-Risk-Management-Progress-Report.pdf>) which aims to focus on the organisation's processes and seeks to raise the awareness of risk and its importance throughout the organisation, enabling front line staff, managers and directors to identify and manage risk in a controlled environment.

The Corporate Directorate Improvement Plans include an assessment of risk of all key programmes, projects and improvement actions that the Directorate intends to implement over the life of the Plan. The major asset plans such as the School Estate Strategy maintain risk registers as do all individual medium to large scale capital projects taken forward as part of the overall asset plans.

1.7 Best Value

Context

Legal statute for Local Government which requires local authorities to demonstrate that they are delivering value for money for their customers through better and more responsive public services. The Local Government in Scotland Act 2003 (“the Act”) introduced a statutory duty of Best Value in local government service provision. Prior to the Act, the Best Value framework was based on Section 122A of the Local Government (Scotland) Act 2003 which imposed a duty on local authorities to deliver economy, efficiency and effectiveness in the utilisation of its assets.

Best Value 2

The Best Value 2 (BV2) approach has moved on significantly from the first phase which provided a baseline for how Scottish Councils are performing. The underpinning principles of the approach are:

- A focus on outcomes as well as corporate performance management processes
- An emphasis on the effectiveness of partnership working
- Improved coverage of service performance and the use of resources
- A proportionate and risk based approach, focused on self-assessments
- Clear audit reporting and transparency of audit process
- Support for improvement and the sharing of good practice

Approach

Inverclyde Council embraces the Best Value regime and delivers Best Value through:

- Service Review Schedule
- Corporate Plan 2018/22
- Inverclyde Outcomes Improvement Plan 2017/22
- Equal Opportunities Policies and Procedures
- Consultation Processes
- Corporate Governance Framework
- Local Government Benchmarking Framework Performance Indicators
- Public Sector Improvement Framework
- Sound Management of Resources

Inverclyde Council was one of the first Councils to be audited under the new approach in January 2017 and the Best Value Assurance Report (BVAR) on Inverclyde Council was published in June 2017. The findings included that the council has a positive culture of improvement; a clear vision and effective collaborative leadership and financial management.

The council has developed an improvement plan to address the recommendations in the BVAR and six monthly progress reports are considered by the Policy and Resources Committee. You can view the BVAR on Inverclyde Council and our progress reports here: <https://www.inverclyde.gov.uk/council-and-government/performance/>

Inverclyde Council is committed to the Best Value principles of Corporate Asset Management Planning as a means of:

- enhancing services to the public
- maintaining customer focus and continuous improvement in Council services
- modernising services, improving the office environment for its employees and its Elected members
- developing and funding planned investment in Council buildings and long-term investment in the building fabric
- prioritising its capital investment in assets
- monitoring revenue expenditure in cyclic, planned and non-planned property maintenance
- minimising repairs
- addressing accommodation issues such as overcrowding and directing resources to areas of Council priority

Performance Indicators

Performance management and reporting is integral to the delivery of Best Value and forms the cornerstone of all proposed service activity. The Corporate Directorate Improvement Plans include a core set of performance indicators (PIs) that are focused on Directorate improvement actions. Statutory and Key Performance indicators already exist for the majority of service areas such as those submitted for the Council's properties reflecting core condition and suitability. In addition, the council produces an annual report on the progress it is making on the delivery of its Corporate Plan 2018/22 organisational priorities.

The Council also utilises the Local Government Benchmarking Framework (LGBF) indicators which have been adopted by all 32 of Scotland's local authorities to assist in focusing on efficiency, effectiveness and outcomes allowing authorities to benchmark performance across a range of indicators. The data for Inverclyde can be found at the following link: <http://www.improvementservice.org.uk/benchmarking/explore-the-data.html>



Competitiveness

Competitiveness is a complex area and not simply an issue of delivering services for the least cost. In the public sector, competitiveness can perhaps be better described as challenge and improvement as this is what the Directorate requires to do to drive continuous improvement and best value. Best Value requires councils to demonstrate that they balance cost and quality when deciding how services will be provided, i.e. how competitive the service is. A key way in which to do this is by comparing cost and service performance against other providers. The benchmarking information derived from the Improvement Service's Local Government Benchmarking Framework will also inform areas where Directorates can focus attention and carry out further detailed internal analysis, in addition to learning from better performing councils.

Procurement Strategy

Inverclyde Council's Procurement Strategy has allowed the Council to modernise its approach to procurement and achieve substantial benefits in the cost and quality of the goods and services purchased. It has also embedded the policy of maximising the achievement of a range of Community Benefits through contracting activities. Moreover, In order to take advantage of synergies between Regeneration and Procurement, these service areas are now managed by one service manager. The Procurement strategy is therefore aligned with the achievement of Council strategic priorities and supports the investment activity through the various strands of the Corporate Asset Management Strategy. The current Strategy was approved in September 2015 and can be viewed online (<https://www.inverclyde.gov.uk/meetings/meeting/1804> - item 19).

2 Implementation

2.1 Strategic Asset Objectives

The overarching Corporate Asset Management Strategy covers a number of asset sub-groups, each of which are supported by individual asset management plans. Over the last ten years the Council has undertaken a significant amount of work on Asset Management Planning and has used a combination of internal expertise and external peer review in their development. Once created the AMPs are embedded within the Council's Corporate Directorate Improvement Plans and Capital Programme formulation process to ensure that there is a strong alignment between the Council's overarching Priorities and capital investment decisions.

The Asset Management Plans not only document and quantify all the assets held and their assessed condition but also create a sustainable investment plan which can then be factored into future years Capital Programmes. In addition the creation of the Asset Management Plan will lead to Members considering a whole estate investment approach which will potentially identify assets which the Council should no longer retain.

A significant benefit of having long term Asset Management Plans is that it allows longer term Capital Investment Plans for a minimum of the next five years but the capability to project this forward for a further period of time. This allows the Council to identify whether it's longer term Capital Investment Plans are affordable and sustainable and provides time for corrective action to be taken.

The following sections provide an overview of the current position of the Asset Management Plans being progressed by the Council.

2.2 Property

2.2.1 Context

Inverclyde Council owns a diverse property portfolio which supports a wide range of services containing approximately 492 assets covering both land and buildings. The portfolio is divided into:-

- **Operational property** – properties which are used directly to support delivery of services
- **Non-Operational property** – properties which are retained to support economic development and to aid in generating revenue income

The total fair value of the Council's freehold/heritable interests as at 31st March 2020 is £423,537,018. This figure assumes (in many cases) that the Council will continue to use the individual property for its own purposes; it does not necessarily represent the overall market value of the Council's asset base.

As at 31st March 2020 the Council owned 148 operational property assets which are represented in the table below:-

Service	Total Assets	Number of Operational Buildings	Vacant /Undergoing Refurbishment	Gross Internal Floor Area (m2)
Corporate Services <ul style="list-style-type: none">• Offices	8	7	1	15,855
Education & Culture <ul style="list-style-type: none">• Schools• Early Learning• Libraries• Museums	47	45	2	157,080
Health & Social Care <ul style="list-style-type: none">• Residential Homes• Resource Centres• Shared Facilities	18	17	1	12,521
Leisure & Communities <ul style="list-style-type: none">• Gyms; Pools; Cinema• Community Halls• Bowling Clubs• Golf Club	34	40	0	35,712
Depots & Industrial <ul style="list-style-type: none">• Depots• Industrial Units	7	16	0	14,984
Environment <ul style="list-style-type: none">• Cemetery Buildings• Parks Buildings• Public Conveniences	36	38	0	4,829
Totals	150	163	4	240,981

In addition the Council also owns:-

Interest	Number	Comments
Farms	3	Leased Out (2 farms merged under one tenancy) plus grazing lets & shootings
Council Dwellings (former school & park keepers houses)	13	12 leased out, 1 vacant
Open Space	1,629,161sqm	Maintained by Council
Land Holdings	46	Held for various reasons
Commercial Property	118	103 leased out, 8 being marketed, 8 vacant requiring investment prior to marketing (fig includes common good shops)
Car Parks	35	Maintained by Council
Play Areas & MUGAs	57	Maintained by Council
Surplus Assets	13	6 currently being marketed

2.2.2 School Estate

The School Estate Management Plan sets out the proposals of Inverclyde Council for meeting the educational needs of our children, young people and the wider community.

The Council has invested in excess of £270m on its school estate over the last 16 years. The rationalisation of the estate was completed by the end of 2013. Over the period of the programme to date there have been a net reduction of 12 primary schools (from 32 to 20) and a net reduction of 2 secondary schools (from 8 to 6) with 2 of the remaining 6 secondary schools co-located within a shared community campus.



Significant progress has been made since 2004, particularly in addressing the number of Condition category C (Poor) and D (Bad) rated schools from 7 Secondary Schools and 21 Primary Schools at the start of the programme to all schools across all sectors rated A (Good) or B (Satisfactory) by 2016. In terms of Suitability there has also been significant progress made in ratings through the programme of comprehensive refurbishment and new build.

The School Estate funding model is reviewed and reported annually to the Education & Communities Committee. The current plan will see all major projects completed in 2020 which reflects the approval of the acceleration of the School Estate Management Plan agreed as part of the budget setting process in March 2016.

Additional expenditure was also approved in March 2016 to address works required to improve asset condition and suitability across the stand-alone facilities within the Early Years estate. The Council funded elements of the Early Years estate plan have progressed to an advanced stage with all but one project complete and with that final project due to commence in March and complete in November 2020.



A number of projects were also taken forward and completed in 2014/15 to facilitate the Scottish Government commitment to the provision of 600 hours of Early Learning and Childcare. The Scottish Government plan to increase the entitlement of early learning and childcare from 600 hours to 1140 hours by 2020 requires substantial levels of investment in workforce and infrastructure which has been phased from 2017/18 onwards to ensure that required expanded capacity is in place by 2020. Inverclyde Council submitted its initial expansion plan to the Scottish Government in September 2017 on how it intended to deliver this expansion and this was reported to the October 2017 Education & Communities Committee.

A full re-working of the plan was undertaken with submission of a revised financial template in March 2018 and the revised plan was reported to the special Education & Communities Committee in June 2018. The Scottish Government confirmed a total Capital grant of £5.98m to Inverclyde Council as part of the overall 1140 hours funding for the infrastructure and capital funded elements of the expansion plan to be delivered between 2017/21. As at 1st Quarter 2020 ten of the fourteen 1140 hours expansion projects have been completed with the remaining projects at various stages of construction/procurement.

The School Estate funding model also includes a lifecycle fund designed to address maintaining the condition and suitability of the revitalised estate. The fund allocations are profiled such that the initial allocation of circa £400K in 2014/15 increases to just below £2m in 20/21 with further projected increases over time (subject to capital funding constraints and budget setting process). The lifecycle works address the on-going requirement for investment in the estate to maintain the overall condition of the assets at a good/satisfactory level. The allocation of this funding is based on annual review of the externally procured condition surveys and physical inspection of the various properties by the Council's Property Service. The most recent external condition surveys were undertaken via Aecom between October and November 2019. These surveys and Property Services assessment will inform the allocation of future lifecycle funding across the estate and this will become increasingly important in the coming years, particularly for the properties that were included early in the original programme.

A wider Learning Estate Review and strategy is now required to address the next 10 years and future of the Learning Estate. Work has commenced on this in respect of roll projection analysis and assessment of the possible impacts of the new Local Development Plan and potential new housing provision. The new strategy will also include a full review of the Condition of the estate from the most recent external surveys and all suitability surveys will also be revisited. The review will also afford an opportunity to assess elements such as ICT and Energy efficiency.

2.2.3 Offices

The Council's Office rationalisation proposals were originally presented and approved in September 2010. Linked with this was the prior approval in March 2010 for the development of a Customer Service Centre within Greenock Municipal Buildings designed to transform the way the Council communicates with its customers. The programme is part of a wider programme to modernise the Council's operations and working practices which includes initiatives such as mobile and flexible working, electronic document management (EDRMS) and greater use of technology. The Offices Asset Management Plan (AMP) was taken forward on the premise that fewer desks than Employees would be provided.



At September 2010 the Council had 1,014 occupied desks. It was proposed that by the end of the process of rationalisation 725 desks would be required with a notional 730 desks approved. The final projects within the Offices AMP were completed in Autumn/Winter 2017. To date the Office Rationalisation programme has resulted in a reduction of circa 40% of occupied floor space with an increased potential desk space ratio through more efficient use of space across the same number of retained properties.

With the completion of the Office rationalisation programme, the majority of the Council's Operational Office space is now contained within the Greenock Municipal Buildings Campus. This is comprised of the main Municipal Buildings (including the refurbished/renovated former District Court offices), the Wallace Place Building and the James Watt Building. Property Services have undertaken studies across the Campus, both internally and through external specialist space planning consultants, with a view to identifying where possibilities exist for more efficient use of space and to address improvements where existing space is less suitable for current use and/or in poorer condition. The challenges posed by COVID-19 have necessitated a shift to different agile working delivery models including increased flexible, mobile and homeworking arrangements. The previously completed space studies now require to be revisited to assess any potential property / ICT strategy implications connected with different ways of working.

The future maintenance and lifecycle requirements of this element of the Council's estate strategy will now be contained / addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2m General Property Service capital allocation monitored through the Environment & Regeneration Committee.

2.2.4 Depots

The Council's Depot rationalisation has involved the centralisation of Grounds, Waste and Transport at Pottery Street with a Gourrock Civic Amenity site and the Building Service Unit (BSU) currently remaining at Devol Depot.



The plan has been progressed to an advanced stage with the completion of the salt barn, civic amenity site vehicle maintenance facility (pictured) / offices fuel and vehicle wash facilities and the refurbishment of the corner depot building and offices all now complete at Pottery Street by 2nd Quarter 2019.

The original Depot Asset Management Plan budget was £13m however the development of the masterplan led to refinement of the strategy and proposals with reviews of phasing and scope (last major review carried out in 1st quarter 2015 realising a further £1m saving). The current outturn cost for the Depot AMP is projected at £10.2m. The final element of the Depot AMP involving the Gourrock Civic Amenity facility has been reviewed with a revised proposal to relocate from Kirn Drive and provide a recycling centre only for domestic/household waste at Craigmuschat Quarry. Subject to statutory approvals it is anticipated that this final element will be completed in 2020.

2.2.5 Commercial and Industrial Properties

The Councils own commercial and industrial property portfolio is an acknowledged Corporate Asset generating significant rental income and is managed by the Regeneration and Planning Service. The portfolio contains one hundred and thirty properties with a small number of industrial units within an estate located in South West Greenock, and the remainder comprising small retail units across the Authority area.

The Councils Environment & Regeneration Committee approved a number of environmental improvement initiatives within Inverclyde Town & Village centres including £75,000 of funding disbursed across the town/village centres for shop front improvements in tandem with the existing property grant scheme implemented to the period ending March 2018.

The Council will continue, within current budgetary constraints, to develop a proactive maintenance regime for all of its empty commercial properties based on identified repair and maintenance liabilities to ensure that the portfolio provides accessible, attractive, and fit for purpose commercial and industrial premises.

2.2.6 Other Property

Leisure Strategy

The Council undertook a review of its key Leisure Sites prior to 2009 and brought reports forward covering a review of strategic sites and a pitches strategy, with a view to modernisation and reconfiguration of leisure provision within Inverclyde. A planned investment profile was presented to Committee in September 2009 with an initial implementation timescale of August 2012. Consultation was also undertaken with Sportscotland who allocated £1m in facilities grants, part funding specific projects at Parklea and Ravenscraig. The Leisure Strategy has now been fully implemented.

The Leisure Strategy has now been fully implemented with a number of further projects completed (Ravenscraig Activity Centre / Inverclyde Indoor Bowling / Lady Octavia Sports Centre / Boglestone Community Centre (pictured) / Port Glasgow Pool Gym) through joint Council / Inverclyde Leisure funded projects. Plans for an indoor tennis facility at Rankin Park are also being explored through Inverclyde Leisure with a Council capital funding contribution of £500K committed.



The major maintenance and lifecycle replacement requirements of the buildings for the Leisure Estate remains with the Council and this element of the Council's estate strategy is addressed within the Operational Properties portfolio and the allowances for statutory and planned maintenance / lifecycle works funded from the annual £2m General Property Service capital allocation monitored through the Environment & Regeneration Committee.

Minor day to day maintenance and 'consumables' are the responsibility of Inverclyde Leisure in accordance with the Service Level Agreement which regulates access, standards of maintenance and division of responsibilities. The allocations through this fund will be vital in the coming years to address significant elemental renewal of ageing assets.

The Council and Inverclyde Leisure are also currently working together on a review of the leisure estate to inform future asset management planning.

In 2018 the Council agreed to allocate £120,000 annually to supplement the funding in the Leisure Repairs and Renewals Fund to meet the life cycle costs associated with the large 3G Pitch estate. The on-going requirements for major maintenance and lifecycle replacement of sports pitches across the Leisure Estate are addressed through the Leisure Pitches Strategy Asset Management Plan and capital allocations monitored through the Education & Communities Committee. Condition surveys were undertaken via external specialists in late 2019 across the Leisure and School Estate pitches to inform a review of the Asset Management Plans and lifecycle replacement allowances. This information together with data on individual pitches hours of use from Inverclyde Leisure will allow a review of plans and update report to the relevant Committees in 2020.

Health & Social Care Partnership (HSCP)

A review of HSCP properties including opportunities for reconfiguration of services to support co-location is currently underway as part of the formulation of a HSCP Property Asset Management Plan. A number of shared service offices have been addressed as part of the Offices Assets Management plan and consolidation within the Hector McNeil House building completed in 2014.

Significant further asset areas are already being addressed via proposals agreed in respect of the phased re-provisioning of Inverclyde's Children's Residential Services with one new unit (Kylemore) completed in March 2013, a further unit (Cardross) completed in January 2018 and the final unit (Crosshill) currently under construction.

Two further significant HSCP projects secured Scottish Government funding support with a new Adult and Older People Complex Care Beds facility (Orchard View) completed in summer 2017 and the new Greenock Health and Care Centre currently under construction with completion anticipated in 4th Quarter 2020.



The completion of the new Health and Care Centre will facilitate further shared service / joint working with the business case predicated on the basis that the existing NHS owned Greenock Health Centre, Boglestone Clinic, Larkfield Child & Family Centre (CAMHS) Building, and Cathcart Centre, which are not fit for purpose, will be disposed of once the new facility becomes operational.

The Strategic Review of Services for Adults with Learning Disabilities in Inverclyde was signed off by the Integration Joint Board in December 2016. As part of the Service redesign, a number of properties historically used by the service have been decommissioned with flats at Lynedoch Street and Hope Street vacated and released back to the relevant RSL's. Golf Road was vacated in June 2018 and the McPherson Centre decommissioned in September

2018 with full integration into the Fitzgerald Centre following work within the Fitzgerald Centre to upgrade personal care facilities, storage and sensory areas undertaken over summer 2018. The longer term plan remains for a new build Day & Social Community Hub with business case and final proposals approved in early 2020.

Two other specific property issues remain for Health & Social Care around the future of the Centre for Independent Living and the continued lease of the Unpaid Work Unit at Kingston Industrial Estate.

Day to day investment in the HSCP buildings is funded from the general Property AMP but the funding for transformational change in service delivery requires to be funded elsewhere. For the Children's Houses, funding came from a combination of prudential borrowing funded by service savings, reserves and core capital grant. The new Day & Social Community Hub will be funded by prudential borrowing.

Farms

As noted in the 2009 strategy the Council undertook a review of its farming assets and considered several reports on these holdings. The Council decided to retain these assets and continues to manage the holdings in relation to its detailed rights and obligations in terms of the Agricultural Holdings legislation and relevant leases.



2.3 Open Space

The Open Space Asset Management Plan (OSAMP) logs all assets owned or occupied by Inverclyde Council in the areas of remit concerned which includes Parks and Cemeteries. The majority of assets that require to be maintained on a regular and cyclic basis e.g. grass plots; flower/rose/shrub beds; sports pitches; golf course; etc. are recorded and the day-to-day cost of maintaining these items is paid for from an existing revenue budget.



The OSAMP primary purpose is to identify assets which require investment in terms of significant repair, refurbishment, renewal or replacement either immediately or over the medium to longer term. Investment required within open space includes for new and/or expansion to existing burial grounds. Provision is also required for continued investment in the upgrade of existing parks and play areas to ensure facilities are of acceptable condition and suitability.

Given the wide range and nature of the assets covered and the piecemeal nature of some of the investment, the preparation of a detailed Asset Management Plan has proven to be challenging. Based on the information to date an annual capital sum of £200,000 is allocated for general lifecycle maintenance. In addition the Council has agreed to allocate over £3.0 million over the next 2 years to expand Burial Grounds provision and replace the Council's cremators. The identification of appropriate ground for burials will present challenges for the Council in the medium/longer term.

2.4 Roads

The Council approved a comprehensive Roads Asset Management Plan (RAMP) and funding model in August 2012. A total of £29m was proposed for the period April 2013 to March 2018 to bring our roads infrastructure – carriageways, footways, lighting columns and structures such as bridges – up to a good standard. Full report and strategy can be found at the following link ([Inverclyde Council | 30 August 2012](#) - item 19). Further to this investment, a second phase of RAMP funding was allocated to the value of £15m for the period April 2018 to March 2023. The full report and strategy can be found at the following link ([Inverclyde Council | 12 January 2017](#) – Item 14).



Scottish Road Maintenance Condition Survey (SRMCS) Results				
Year	Red	Amber	Green	RCI
2011/13	13.55	35.42	51.0	49.0
2012/14	12.69	36.55	50.8	49.2
2013/15	10.80	35.47	53.7	46.3
2014/16	10.11	33.18	56.7	43.1
2015/17	8.57	31.96	59.5	40.5
2016/18	7.09	30.80	62.1	37.9
2017/19	7.44	30.02	62.5	37.5
2018/20	7.41	29.88	62.7	37.3

The implementation of the RAMP commenced in April 2013 and by the end of March 2019 circa £22.4m has been spent on carriageways and footways, with circa £8.7m on street lighting, bridges, other road assets, and fees. Over this period the Road Condition (SRMCS) Indicator has continually reduced, by a total of approximately 10 points, which demonstrates that the planned investment is resulting in a significant improvement in the network condition.

Over 95% of the Council's streetlights have now been upgraded to low energy LED types which has halved electrical power consumption, reduced energy and maintenance costs to the Council and has reduced the carbon footprint.

The programme is also supplemented through specific Scottish Government grant aided funding in connection with initiatives such as the Cycling, Walking & Safer Streets programme.

Inverclyde Council was named the UK's most-improved performer for roads, highways and winter maintenance as part of the 2015 Association for Public Service Excellence (APSE) Performance Networks Awards and as the UK's most improved performer in Street Lighting 2017.

In addition to the above the Council also has in place a significant programme for the investigation, design and construction of various flood prevention schemes within Inverclyde. The £2.2m Central Greenock Flood Prevention Project includes £1.74m of Scottish Government grant funding with a further £1.73m approved for flood prevention schemes outwith Central Greenock (refer update report at the following link <https://www.inverclyde.gov.uk/meetings/meeting/1862> - item 16).

2.5 Fleet

The Council approved a comprehensive Vehicle, Plant & Equipment Strategy in 2009 to provide the Council with an efficient, flexible method of procuring and operating fleet items that reflects good fleet management practice plus a cyclical replacement of fleet assets. The program operates on a 5 or 7 year cyclical replacement policy dependant on fleet type with a funding model that extends to 2025/26. The average age of the fleet profile has reduced from 7.1 years in 2009/10 to 3.1 years in 2019 which reflects a significant improvement in fleet asset management.

In addition it led to the introduction of a dedicated Fleet Management System and Fleet Tracking System. Without a fleet asset management plan the Council would experience a return to inefficient practices including increased fleet downtime, an increase in expensive 'spot' hire vehicles, a requirement to increase workshop staff levels and an increase in both material and sub-contractor costs. A Fleet Management System was procured and installed in 2010 and a Fleet Tracking System installed in 2013.

A new Fleet Maintenance Facility was built as part of the depot asset management plan. This opened in 2017 incorporating a Class IV, V and VII MOT test facility allowing more maintenance and testing to be carried out in-house. The new Fleet Maintenance Facility also incorporates a fully automated under chassis vehicle wash which became operational in 2019 ensuring the fleet assets are maintained to a high standard whilst complying with the latest Health and Safety requirements. A new bunkered fuel facility with integrated fuel management system has also been incorporated into the Fleet Maintenance Facility providing real time fuel usage information and increasing the Councils contingency in times of fuel shortages.

Taking advantage of bridge funding from Transport Scotland and technological advances allowing greater battery range has allowed a significant increase in the number of Ultra Low Emission Vehicles (ULEVs) on the Council fleet. The vehicle categories consisting cars, people carriers and vans up to 2500kg Gross Vehicle Mass (GVM) accounts for 50 vehicles. In 2017/18 there were 4 pure electric ULEVs accounting for 8% of fleet vehicles within these categories. Within the same categories in 2019/20 the Council now has 30 pure electric ULEVs accounting for 60%. It is anticipated based on current technologies that this figure will rise to 41 by 2021/22 accounting for 82% of the Councils fleet of light commercial vehicles. The Council is well placed to provide service users with a continuity of service whilst meeting the Scottish Government target of ending the sale of new petrol or diesel cars and light vans in Scotland by 2032.

The technology to further introduce ULEVs into the medium and heavy commercial fleet is developing quickly and the continued funding of the Vehicle, Plant & Equipment Strategy will allow the Council to take advantage of these new technologies. In conjunction with this, consideration will require to be given to significant infrastructure requirements given the power requirements to charge large commercial vehicles, particularly when being charged at the same time in one central hub such as the Pottery Street depot.

2.6 ICT

The Council has invested significantly in its ICT & Network Infrastructure and has a well-established rolling refresh programme for Desktops and Laptops. The Council has developed ICT & Digital Strategies that drive the direction of the ICT Asset Management Strategy and reflects the changing landscape of the way technology is delivered and consumed.



As the market around Cloud based Services continues to develop, it is recognised that there will be a change in the way that ICT Assets are managed and replaced. There is likely to be a continued shift from physical infrastructure to more hosted and virtual services. A challenge for the Council will be the transitions from capital spending on physical hardware, to the revenue based models of Software and Systems as services.

The importance of network reliability, capacity and security will require careful management to ensure the core network equipment and services remain supported and the asset management strategy reflects that requirement.

At the core, the Desktop estate remains key for most corporate functions and all desktop equipment is refreshed on 6 year lifecycle and although this is challenging in terms of support and maintenance, the Refresh Programme is grounded in the availability of financial resources.

The Council also recognises that there is a changing environment as more services are delivered differently and that a traditional desktop environment may not be suitable for all future requirements. Increased use of Tablet and other mobile devices will allow staff to work in a more flexible manner.

In schools it is recognised that the way children and young people learn is changing significantly and it is imperative that way ICT is delivered changes to reflect that new approach.

ICT provides extensive support to the schools network and equipment within. However it is clear that to carry forward the curricular objectives of Educational Services while maintaining a compliant and supportable ICT infrastructure, a specialised approach has to be undertaken and innovative solutions may need to be devised.

School Whiteboards and screens remain a key tool for learning and teaching and a refresh strategy is planned to replace aging, unsupported equipment across the school estate.

The Council also recognises its responsibility to its citizens to provide safe, secure access to online services and is implementing a number of projects to enable and enhance public access across the area. Town Centre Wi-Fi, improved access in libraries and museums, Wi-Fi and internet access in community centres are projects that require investment to implement, expand and maintain.

The Council is also working with partners to examine the viability of Internet of Things (IoT) technologies to enhance the services we provide, automate monitoring of buildings and systems.

3 Delivering better Public Services through Corporate Asset Management

The need to manage assets as a corporate resource is key to ensure that decisions to rationalise invest and acquire property to achieve high level outcomes are considered corporately. This will also ensure that opportunities for rationalisation and shared use are maximised and that property investment decisions are made strategically to align with the Council's overarching aim of the economic and social regeneration of Inverclyde, as well as contributing to the vision for Inverclyde as set out in the Inverclyde Alliance Outcomes Improvement Plan.

3.1 Customers and Customer Engagement

Extensive community engagement has been carried out across Inverclyde to inform the development of the Inverclyde Alliance Outcomes Improvement Plan. This engagement has provided a clear, evidence-based and robust understanding of local needs, circumstances and the aspirations of local communities.



Engagement with service users and communities is key in ensuring that services are delivering appropriately. Directorates and services when formulating the various asset management plans use the feedback from community engagement to inform the future development of services. The methods of engagement vary depending on what type of service and project is being proposed. In addition to the survey work undertaken there are other forms of engagement such as through the Inverclyde's Citizens' Panel; #Clyde Conversations partnership conference; and Town Centre Regeneration Forums designed to increase the involvement of local residents in the regeneration process. It is also important to consider the ways in which feedback is provided to customers/service users about how their involvement has helped to develop services.

Post Project Evaluation

The Council also engages in post project evaluation with a view to identifying benefits realisation and aid learning from completed projects. This process is undertaken on all major capital investment projects including those for the procurement of construction projects and high value goods and services contracts.

3.2 Asset Data

The management of data and its accuracy/availability is crucial to effective Asset Management allowing informed decisions to be made based on asset performance. The main indicators used in Asset Management are outlined below.

Condition

Recording and monitoring the condition of assets is fundamental to assessing risks / liabilities to the Council and establishing investment needs and priorities. Externally procured elemental condition surveys for property (based on Scottish Government Guidance) are undertaken on the basis of a 5 year rolling programme with an annual review carried out by Property Services to provide an overall rating reported as part of the range of performance indicators noted in section 1.7. The surveys also provide an indication of the backlog maintenance and priorities for investment over a ten year projection. The first property condition surveys were carried out by Drivers Jonas in 2009 followed by Watts Group Plc. in 2014. The most recent external condition surveys were undertaken via Aecom between October and November 2019.

Suitability

Also known as 'fitness for purpose', suitability refers to how well the asset supports Service delivery and is suited to its current use. Suitability surveys are completed for all properties (taking into account the views of service users) and are reviewed annually to provide a rating that is reported as part of the range of performance indicators noted in section 1.7. The format of the surveys varies e.g. detailed guidance on suitability criteria for the School Estate was issued by the Scottish Government. The surveys also incorporate an assessment of how accessible the asset is to those with disabilities (linked to Equality Act/DDA).

Sufficiency

Also known as utilisation or capacity, sufficiency concerns the demand for / sustainability of an asset and its use now and in the future in terms of supporting Service delivery. This measure is critical in identifying under-utilised assets for alternative proposals / potential disposal. It also highlights where there may be a risk of over-utilising assets and assists in forward planning.

Running/Revenue Costs

Concerns the cost of operating a given asset and primarily relates to rates, energy/utility, and maintenance costs when related to property. This information when viewed with property condition ratings can be used to develop a greater understanding of overall property asset performance and inform the decision making process. This can also be extended to include soft facilities management costs such as cleaning, caretaking/janitorial etc. recorded centrally against each property asset.

Value

Valuation information is recorded for statutory accounting requirements and insurance purposes (i.e. market value of assets / replacement costs). This information is also utilised to inform the decision making process/management of assets.

3.3 Operational Property Management

Statutory compliance and regulatory codes of practice are an area of priority for the Council in terms of management of its core property assets. This area is supported by a number of Council Policies designed to address the safety and wellbeing of Council staff, service users and visitors / customers. Property Services through its Statutory Duties Team are responsible for a programme of compliance testing which includes: gas safety appliances; water quality; ventilation and duct hygiene; fire detection and alarm systems; fixed electrical installations and emergency lighting etc. with the frequency of testing dependent on the relevant Legislation/regulation and requirement.

Management of Asbestos

The Council has a duty as an employer and provider of services under the Control of Asbestos Regulations 2012 (CAR 2012) for those premises it owns, occupies, manages or for which it has responsibility for repair and maintenance. In recognition of this the Council has an approved Asbestos Management Policy which sets out the commitment of Inverclyde Council to provide a safe and secure environment for employees, visitor, service users and members of the public. Management surveys and plans are in place for all properties and are reviewed annually with further intrusive refurbishment and demolition surveys undertaken prior to any major construction works.

Water Safety & Hygiene

The Council has a duty under Health and Safety legislation (Health and Safety Commission guidance referred to as the approved Code of Practice (ACOP) L8) to control the risks of exposure to Legionella bacteria which may arise from work activities. This involves preparation of a risk assessment and management scheme for all properties and regular review (at least every 2 years). A regular monitoring regime of flushing seldom used outlets, taking temperatures, inspection of the condition of tanks and shower heads is also carried out.

Fire Risk and Procedures

The Council has a duty as an Employer under the Fire (Scotland) Act 2005 to carry out a Fire Risk Assessment to identify any risks in respect of harm caused by fire in premises. In recognition of its responsibilities in this respect, the Council has a standard approach to Fire Risk Assessment and Emergency Procedure which sets out the various procedures around premises fire risk assessments, testing and inspection regimes and evacuation procedures.

Property Services Statutory Duties Team in conjunction with the Council's Corporate Health and Safety Team are responsible for procuring and/or carrying out / reviewing premises Fire Risk Assessments.

Fire Risk Assessments are reviewed annually for all operational Council premises, or when there is a material change to the building or systems. The scope of the review includes:

- ❖ Monitoring of fire risk assessments & associated action plans
- ❖ Development and review of emergency arrangements
- ❖ Means of detecting a fire / raising the alarm
- ❖ Provision of fire safety equipment i.e. Portable fire extinguishers and sprinkler systems
- ❖ Effective means of escape from premises including the inspection and maintenance of fire evacuation chairs
- ❖ The provision of emergency lighting

Accessibility

The Council is committed to making its buildings fully accessible. As part of the significant renewal and refurbishment of the Council's School Estate, Offices and Leisure Facilities etc. the accessibility of a substantial proportion of the Council's estate has been significantly improved. The briefing for the School Estate projects for example included the development of a "Guide to Inclusive School Design" which informed the development of the brief and ultimate design solutions for new and refurbished schools. This has been particularly valuable in enhancing the employee and service user experience in relation to those who have a mobility, hearing or sight impairment.

It is important however, to note the constraints (to an extent) of historic buildings, in particular those with listed status. The Council's portfolio contains some buildings that are difficult to adapt and in some cases it may not be possible to make them fully accessible, as to do so would go beyond what is reasonable in the circumstances and contrary to the legislation. To reduce such barriers to inclusion, specific management plans ensure that customers have access to council services in these cases.

3.4 Equality

Equality legislation is designed to protect people from discrimination covering areas such as employment, education, access to goods and services and the exercise of public functions. A new Equality Act came into force on 1 October 2010 and replaced legislation such as the Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, the Disability Discrimination Act 1995 and a number of sets of Regulations. The Council must meet its public sector duties under the Equality Act 2010. The revised duty covers a broad range of considerations for public bodies when making policy decisions and delivering services. Formerly covering ethnicity, gender and disability, the new duty extends these considerations further to cover age, pregnancy and maternity, religion and belief, sexual orientation and gender reassignment.

Public sector bodies also have a number of specific duties which they require to fulfil.

Further detail can be viewed at: <http://www.equalityhumanrights.com/scotland/public-sector-equality-duty/>

Equality Impact Analysis

To assist the Council in ensuring that it is meeting its statutory duties, the Council's Corporate Equalities Group has developed an Equalities Impact Analysis (EIA) Toolkit and Template. EIAs help us to think about how a policy, function or activity may impact (positively or negatively) on people in our community. The process helps identify who these people might be and what needs they may have which require to be considered. EIAs are part of the process of self-evaluation and in the development of Improvement Actions and are considered as part of the formulation of the major asset strategies outlined in this document.

3.5 Sustainable Development

There are a number of definitions and interpretations of the term 'sustainable development' but the most frequently quoted definition is from the 1987 'Report of the World Commission on Environment and Development: Our Common Future':

'Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'

In September 2015, at the United Nations Sustainable Development Summit, world leaders adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). The SDGs incorporate protection of the natural environment along with goals such as achieving peace and justice, ending poverty, improving health and education, promoting equality and economic growth. SDG 13 is entitled 'Take urgent action to combat climate change and its impacts'.

In December 2015, at the United Nations Climate Change Conference in Paris, a global agreement was made to limit global temperature rise to 2 degrees Celsius by the year 2100 and pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The year 2019 saw a number of demonstrations on climate change, such as the school climate strikes and those of 'Extinction Rebellion', and in April of that year, the First Minister of Scotland declared a 'climate emergency'.

In May 2019, the UK Committee on Climate Change, recommended that Scotland set a target for net zero emissions of all greenhouse gases by 2045. The Scottish Government accepted this target with a new 'Climate Change (Emissions Reductions Targets) (Scotland) Bill, which was passed by the Scottish Parliament on 26 September 2019. Moreover, the Scottish Government proposed that Public Sector Bodies set a target year with which to achieve zero greenhouse gas emissions from their direct operations and for reduced indirect emissions.

Also in September 2019, the Scottish Government placed climate change as a key theme in its Programme for Government 2019/20. Initiatives include net zero carbon standards for all new public buildings by 2025, work to decarbonise public sector fleet by 2025 and proposals for a statutory duty for local authorities to develop 'Local Heat and Energy Efficiency Strategies' (LHEES). LHEES are 15-20 year programmes for local authorities to develop energy efficiency and low carbon heating options for a local authority area.

As part of the Climate Change (Scotland) Act 2009, Public Sector Bodies are required to take action with respect to reducing and adapting to climate change and to act sustainably. They are further required to report annually to the Scottish Government on their greenhouse gas emissions and action with respect to climate change. The Scottish Government proposed changes to the annual report to only include emissions and information pertinent to ending Scotland's contribution to climate change. In this regard, Public Sector Bodies would be required to report on how they align their spending plans and use their resources to contribute to reducing emissions and ultimately achieve zero emissions.

Green Charter

'Green Charter' is the Council's flagship environmental policy. Its aims are to reduce energy and waste and promote the sustainable use of resources in the Council and across the community in Inverclyde. The Green Charter states a number of promises by the Council, which include:

- Minimise the impacts of climate change by reducing the Council's carbon footprint.
- Consider the environmental impacts of services provided by the Council and seek to minimise negative impacts.
- Take into account the whole life costs of goods purchased by the Council.

Linked to the Green Charter is the 'Schools Green Charter'. This seeks to reduce the environmental impacts of the Council's schools and help promote a culture of environmental sustainability by educating young people on the issue.

Climate Change Plan

In January 2018, the Council's 'Climate Change Plan' was approved. The Climate Change Plan not only considers reducing climate change through setting a target for decreasing the Council's carbon emissions but to also look at how the Council can adapt to current and future climate change. Moreover, to help achieve the ambitious climate change targets set out by the Scottish Government, the Climate Change Plan states a commitment to investigate transformational projects that can contribute to a low carbon society. The Council's Climate Change Plan can be found at <https://www.inverclyde.gov.uk/planning-and-the-environment/climate-change/climate-change-plan>.

Buildings, street lighting and fleet transport combined make up almost half of the Council's carbon emissions. The Corporate Asset Management Strategy is, therefore, a key component in meeting the objectives stated in the Climate Change Plan. Examples include:

- Incorporate energy efficiency and zero/low carbon technologies into the design of new buildings and refurbishments.
- Incorporate climate and weather resilience into the design of new buildings and refurbishments.
- Retrofit existing buildings with energy efficient measures and zero/low carbon technologies.
- Replace, where possible, diesel and petrol fleet vehicles with electric vehicles.

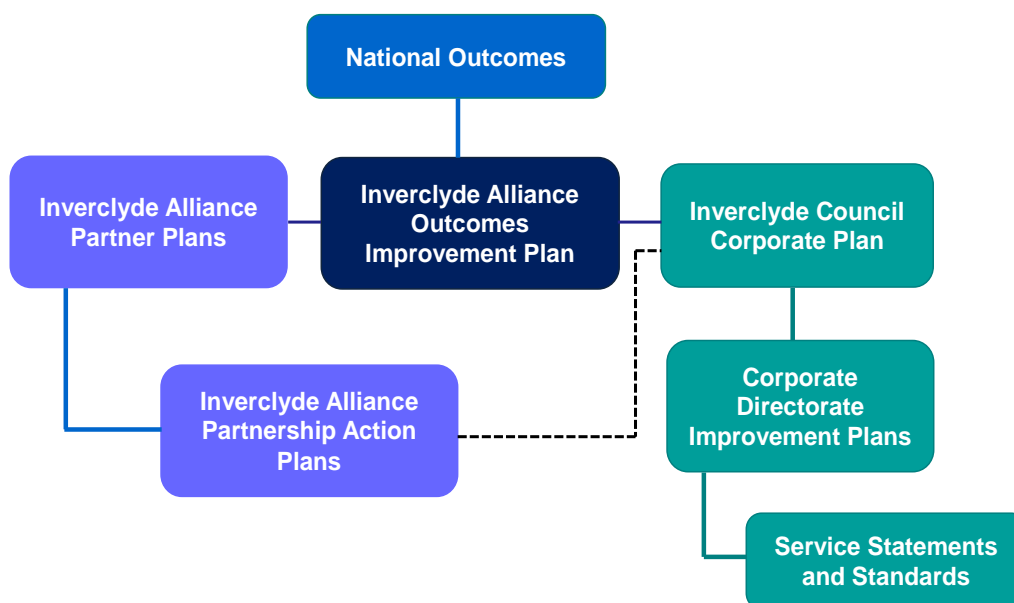
Since financial year 2007/08, the baseline year for the Climate Change Plan, the Council had reduced its carbon emissions by 19%.

4 Review and Challenge

4.1 Strategic Planning and Performance Management Framework

Corporate Directorate Improvement Plans

The Council's Corporate Directorate Improvement Plans (CDIP's) are the principle vehicle for managing and delivering the high level outcomes contained in the key strategic documents noted in section 1.3. They also capture the corporate cross cutting actions which the Corporate Director for a Directorate has lead responsibility for, on behalf of the Council. The CDIPs assist with aligning the Council's planning processes with the Financial Strategy and are constructed with due regard to the prevailing financial climate and outlook for the Council within the resources available for each Directorate. They are prepared every 3 years and reviewed on an annual basis with regular update reports to Service Committees.

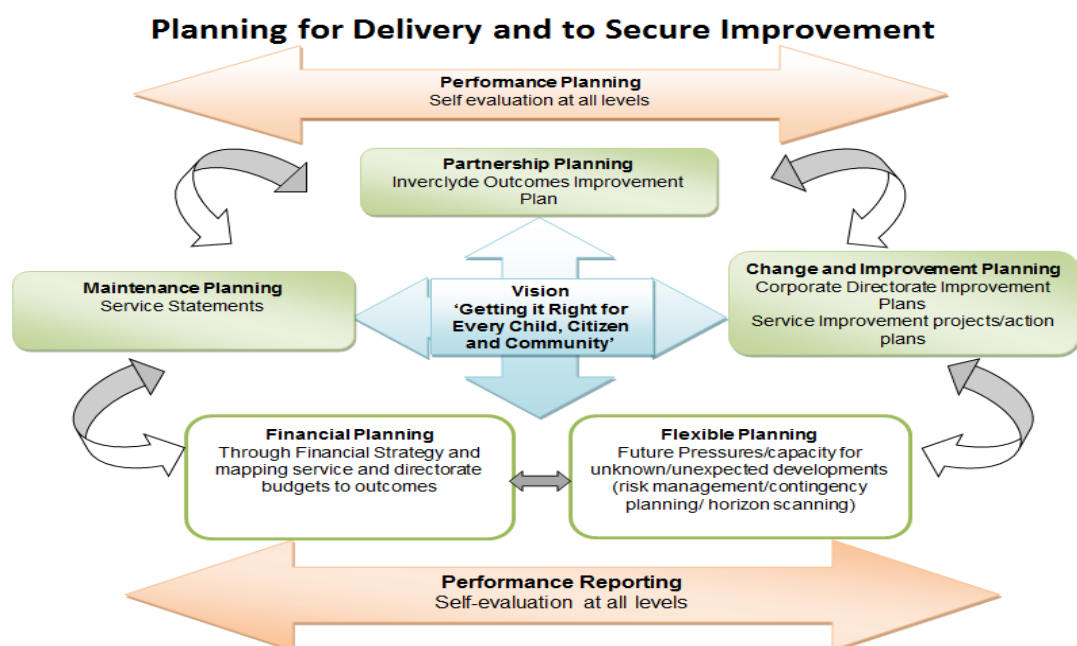


In summary, the Corporate Directorate Improvement Plans:

- Improve accountability to Elected Members and assist them with their scrutiny role
- Ensure a clear sense of direction
- Determine and clarify improvement to be delivered, with timescales
- Align planning to resource management
- Secure political approval and support for programmes / actions
- Assist in managing and improving service delivery

Self-Evaluation

Corporate Directorate Improvement Plans are based on robust validated self-evaluation of the Directorate's performance and integrate national plans and policies, statutory requirements and the local context with a Directorate's objectives and plans. The Council has adopted a system of self-evaluation based on the Public Service Improvement Framework (PSIF) principles which facilitates a strategic assessment and identification of specific improvement actions for inclusion within the plans.



The Council aims to deliver on the following actions in its implementation of the Corporate Asset Management Strategy:

- Corporate Asset Management Strategy reviewed through the Corporate Management Team;
- the continuing development of a corporate approach to the use, management and procurement of assets;
- ensuring a strong organisational framework for future asset management plans with clear links to the Council's Corporate Directorate Improvement Planning process;
- use of relevant data to monitor and report in performance in support of continuous improvement and to challenge the existing use of, the need for and the performance of all assets;
- identification of efficiency gains through the strategic management of all assets;
- ensuring that relevant information is communicated effectively to all stakeholders;
- promoting new ways of working and incentives for the more efficient use of assets and energy.

