

Best Value thematic work – Asset
management

East Ayrshire Council

**How well councils are managing assets to achieve
their corporate objectives and respond to challenges
around financial sustainability and climate change**



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Key messages

- 1 East Ayrshire Council demonstrates an effective approach to its asset management. The strategic approach is outlined in its comprehensive 2019 Asset Management Framework. This gives consideration to the changing needs of its population and new ways of working and also sets out how it will support the council to meet its net zero emission commitments.
- 2 There is clear strategic alignment between the Asset Management Framework, service-level asset management plans and the capital investment programme. The Asset Management Framework also supports the delivery of the council's strategic objectives.
- 3 In 2024/25 we reported that the council's financial management is effective. The council operates within its budget and maintains reserves in line with its reserve strategy, which includes earmarked funds to invest in services for the future. The council has sufficiently considered the affordability of its capital programme and asset management plans. This is evidenced via its affordability cap and planned reductions in the capital programme over time. Reports on the delivery of the capital programme show significant expenditure on some key projects but financial pressures and external factors are leading to slippage across a number of projects.
- 4 The council's reporting and monitoring arrangements enable good scrutiny and oversight of progress towards implementing its capital programme and asset management plans.
- 5 The council is in the top quartile of council performance for three of the four asset management Local Government Benchmarking Framework indicators, relating to quality and condition standards and energy efficiency. Its performance is in the third quartile for the percentage of operational buildings that are suitable for their current use. Mixed trend performance is reported for its internal asset management indicators which help drive its continuous improvement in this area.
- 6 The council works collaboratively with partners to manage and deliver shared assets locally. It has a clear approach to engaging with communities on asset

management planning and can demonstrate how it has worked with communities to inform its decision making in relation to assets.

- 7 The council has a strong track record and clear approach for supporting Community Asset Transfer (CAT) requests. While transparency around how applications are scored against assessment criteria could be improved, it has a consistent approach to assessing and scoring CAT applications.
- 8 We have not identified any improvement actions required by the council from our work.

Introduction

1. Asset management directly impacts how councils provide services and achieve their own corporate priorities and longer-term financial sustainability. Limited capital budgets make it challenging for councils to maintain their existing assets and estates, invest in new assets and achieve net zero emission targets. Exhibit 1 sets out some principles for effective asset management, informed by CIPFA guidance and the Infrastructure Investment Plan for Scotland.

Exhibit 1

Principles for effective asset management

Principle	What this looks like in practice
Strategic alignment	Councils' asset management strategies align with their corporate objectives, financial plans, new ways of working, population needs and net zero emission commitments.
Investment hierarchy	To support sustainability and cost-effectiveness, asset management strategies prioritise: 1. maintaining and optimising existing assets 2. repurposing or upgrading existing assets to meet the needs of the community 3. new investment only when necessary
Monitoring condition and performance	Councils regularly assess the condition, suitability and performance of their assets, to help inform investment priorities and support continuous improvement.
Governance and accountability	Councils have clear roles and responsibilities for asset management, with regular, transparent reporting and senior oversight.
Community asset transfers	Councils have transparent and robust processes in place to assess and support requests for community asset transfers.
Place-based approaches	Councils collaborate across services and other public and third sector organisations to manage assets as a collective resource across their local area. This has the potential to achieve savings, better align service provision and create opportunities for joint working.

Source: Audit Scotland

2. The [Code of Audit Practice](#) sets out the requirements for Best Value audit work. This report covers the thematic aspect of the Best Value audit requirements. The Accounts Commission has directed auditors to report on how well councils are managing their assets. In carrying out the work, auditors have considered the following questions:

- Part 1 – To what extent does the council have a clear asset management strategy and plans that are affordable, align with its corporate objectives, the changing needs of its population, and net zero commitments?
- Part 2 – To what extent do the council's governance and accountability arrangements support effective asset management?
- Part 3 – To what extent does the council have a robust approach to working with partners and communities in managing its assets?

3. The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

1. Asset management planning

4. Councils’ capital programmes are a necessary component of modernising services to improve outcomes for local communities. Doing this successfully requires good strategic medium- to long-term asset management and planning. The Accounts Commission’s [Local government budgets 2025/26 briefing](#) reported that capital funding for 2025/26 had increased but remained lower than in 2023/24 and that investing in new buildings and assets is increasingly expensive. Councils are relying on borrowing as the main source of funding for capital projects. In 2025/26, councils intend to borrow £3.13 billion, an increase from £2.67 billion in 2024/25.

Findings and evidence relating to the council’s asset management strategic planning arrangements

Judgements	Evidence
1. The council has a clear, up-to-date and well-informed Asset Management Framework that clearly sets out its approach and priorities for managing and developing its assets. It covers a sufficient period enabling strategic planning and is clear about how progress will be monitored and when priorities will be reviewed.	1. East Ayrshire Council’s Asset Management Framework was approved by Cabinet in 2019. The Framework is supported by annual capital investment programme updates and recent service-specific asset management plans covering areas such as housing, roads and the learning estate. These plans underpin the overarching framework and set out progress against the backdrop of more recent financial constraints. The council is currently developing the next iteration of its Asset Management Framework alongside a review of its Strategic Plan, with publication expected during 2027. 2. The Asset Management Framework clearly sets out the council’s priorities for managing and developing its assets, as well as providing a comprehensive overview of East Ayrshire Council’s land and property. It sets out a clear vision which is supported by six strategic objectives, which involve: – maintaining and enhancing a flexible portfolio of assets that are fit for purpose – rationalising the asset base, ensuring that these remain efficient and effective – using assets to support the council’s wider aims – ensuring assets are subject to critical review and challenge, considering the outcomes and benefits along with whole life costs and long-term investment needs

Judgements	Evidence
	– providing a clear rationale for future capital investment, building in financial and operational sustainability while working towards being carbon neutral – using asset information to ensure decisions are evidence-based and can the leveraging of new and extra funding.
	3. The Asset Management Framework covers eight asset categories, including roads and infrastructure, the learning estate and housing estate. It provides detailed breakdowns of progress, investment aims and future priorities. It includes information about how the council, services and the community is changing with reference to changing demographics. For example, it references rising demand for specialist education and housing provision to meet the future needs of residents.
	4. The Asset Management Framework clearly sets out how council assets will support service delivery plans and is well aligned to financial planning through the capital investment programme. For example, capital investment has improved the condition and suitability of the school estate and learning environment for young people and supported the expansion of early years funded hours. In health and social care, new models of care have been developed to utilise town centre facilities for community-based services. In addition, the council's capital investment through telecare and IT systems has supported people to stay in their own homes.
	5. The Asset Management Framework sets out governance arrangements for asset management, with programme boards established for all major capital project areas. Progress against the capital programme is included within quarterly East Ayrshire Performs reports which are considered by Cabinet and the Governance and Scrutiny Committee. The Asset Management Framework also sets out a clear approach to how the council will make decisions on its assets, with its priorities being to: – maintain and protect (core obligations) – review and improve (future priorities) – invest and develop (capital investment and asset lifecycle).
	6. The council has a performance management framework to monitor the success of its Asset Management Framework. This includes 12 performance indicators relating to asset condition, occupancy, accessibility and energy use. These are publicly reported through the council's performance indicator dashboard on its website.

Judgements	Evidence
2. The council's Asset Management Framework aligns with its corporate objectives and considers new ways of working, the changing needs of its population and clearly sets out how net zero commitments will be met.	7. The Asset Management Framework identifies key stakeholder groups across asset portfolios and reflects engagement through partnerships and planned consultations.
	1. There is clear alignment between the aims of the council's Asset Management Framework and its Strategic Plan (2022-2027) priorities. For example, the Asset Management Framework sets out: – ambitions for significant investment in education facilities and early years facilities, aligning with the Strategic Plan priority 'Supporting Children and Young People' – plans to deliver affordable and energy efficient housing, aligning with the Strategic Plan priority 'Tacking Poverty and Inequality' – the intention to develop health and wellbeing hubs, aligning with the Strategic Plan priority 'Improving Community Wellbeing'. 2. The 2019 Asset Management Framework included an integrated Capital Strategy with estimated long-term costs to 2030. In addition, the 2025 capital investment programme update provides more recent information on asset management and includes updated capital investment and funding projections from 2025/26 to 2029/30, enabling long-term planning. 3. The council has clearly considered the changing needs of its population and the subsequent changes required to service delivery. For example, there are multiple references to future needs throughout the document as well as a general awareness of changing demographics locally. There is a focus on future school investment in areas like Northwest Kilmarnock and Stewarton, suggesting increased growth in these areas. House building plans are also referenced throughout the framework, and it references joint working between the council's housing team and health and social care partnership to ensure that specialist living facilities meet the future needs of residents. 4. The council has clearly considered how its assets can be optimised to reflect new ways of working and service delivery. The framework clearly explains that the council will reduce the number of buildings it uses as it expects to be a smaller organisation in future, with less staff working more flexibly. Smarter working environments alongside the introduction of mobile and flexible working and service redesign are planned to improve efficiencies and reduce running costs. Partnership working is highlighted as an important aspect of this approach. The council plans to share buildings and co-locate staff with

Judgements	Evidence
	other public sector organisations to reduce the environmental impact of its estate as well as maximising opportunities for generating additional income. 5. The Asset Management Framework also sets out how the council intends to meet its net zero ambitions over the next ten years. Key programmes of work and funding streams which will contribute to delivering on commitments include: – Transport & Fleet: aim to reduce the overall fleet by 10 per cent alongside increasing the use of green fleet and electric vehicles. – Economic growth: investment in training staff and appointing specialists to support Passivhaus-standard (highly sustainable) building design which reduces energy consumption. – Sustainability/ Carbon Zero Fund to support the council's net zero ambitions. 6. The Asset Management Framework also includes two performance indicators related to emissions and energy usage which will track change over time.
3. The council has clear service-level asset management plans and capital programme that align with the Asset Management Framework.	1. The council has clear service-level asset management plans that include specific actions, timescales and costs. We reviewed two asset management plans and found that these were well-aligned with the Asset Management Framework and capital programme. <u>2025/26 Roads Asset Management Plan</u> 2. The 2025/26 Roads Asset Management Plan outlines plans for road safety improvements, bridge strengthening and replacement and fleet replacement. The plan covers 2025/26 in detail and includes multi-year budget projections to 2030/31. There is sufficient detail on costs included within the plan, such as detailed budget allocations for each programme area, as well as approved and re-profiled budgets over a five-to-six-year period for a range of roads assets projects and re-profiled capital allocations for roads infrastructure and transport fleet projects, showing an investment plan from 2025/26 to 2030/31. 3. There are multiple examples of alignment between the 2025/26 Roads Asset Management Plan, the capital programme and the ambitions in the 2019 Asset Management Framework. The investment aims for roads infrastructure set out in the council's Asset Management Framework include: – Investment to maintain the roads and bridge network – Climate change mitigation, active travel and flood prevention

Judgements	Evidence
	– Support connectivity and economic activity. 4. The 2025 capital investment programme update highlights major investment to support the condition of roads and bridges, climate change, flood mitigation and active travel. The investment priorities in the 2025/26 Roads Asset Management Plan are clearly aligned to these ambitions with carriageway structural maintenance and bridge and culvert strengthening being allocated the highest amounts within the approved roads budget for 2024/25 to 2028/29. The active travel programme, climate change mitigation and fleet decarbonisation are also clear investment priorities. In addition, there is a focus on town centre regeneration, supporting connectivity and economic activity. <u>Learning Estate Management Plan 2023/24</u> 5. The Learning Estate Management Plan 2023/24 contains specific actions, timescales and costs for implementing the council's asset management strategy for the learning estate, which are consistent with the details set out in the 2025 capital investment programme update. The plan sets out a wide range of actions including refurbishments and new builds across primary, secondary and Additional Support Needs (ASN) schools, expansion of ASN provision as well as energy efficiency upgrades. There are detailed timescales for each priority project across the learning estate as well as comprehensive detail around project costs. It notes that projects are at an early stage with proposed budget allocations to be delivered between 2027-2030 and that future reports will be brought to members for consideration. 6. There is also evidence of strategic alignment between the Learning Estate Management Plan 2023/24, the council's 2025 capital investment programme update and the ambitions set out in the Asset Management Framework. For example, key ambitions within each plan include delivering improvements to the learning estate (including early years facilities) to provide the best learning environment for all children, as well as maximising the wider benefits of investment by enabling shared use with the community.
4. East Ayrshire Council demonstrates a strong commitment to affordability and plans to reduce its capital programme in future.	1. The council has sufficiently considered the affordability of its capital programme and asset management plans. For example, in 2023 the council implemented an affordability cap of 8 per cent of the General Fund net revenue stream to ensure its borrowing remains sustainable. 2. The 2024/25 Annual Audit Report highlighted that the council's long-term borrowing had increased by over £46 million during 2024/25 compared to the prior year end position, totalling

Judgements	Evidence
	£441.418 million. Over the same period, short-term borrowing decreased by over £17 million to £60.836 million. 3. The 2025 capital investment programme update notes that the scale of the capital programme has been reviewed to contain it within the 8 per cent affordability cap. The Treasury Management Strategy report highlights that the overall cost of financing General Services debt will be contained within this limit until 2030, after which point capital expenditure will be limited to the value of the capital grant received from the Scottish Government 4. To address additional cost pressures, the council is also exploring opportunities to reduce the scope of its projects and is clearly considering the investment hierarchy in its decision-making approach to stay within its affordability limits. An example of this is Doon Valley Community Campus, whereby the council agreed to stand down the development of a new build campus in May 2024 due to rising costs associated with market volatility and inflationary pressures. Instead, the council refocused on delivering a refurbishment of the existing campus, with a revised affordability cap of £25m. This decision is in line with feedback from the council's 2024/25 budget consultation which showed the public were in favour of refurbishing or repurposing existing buildings rather than constructing new buildings. 5. The council is considering a range of different funding sources to support its capital programme. Capital investment programme updates include an overview of capital investment, with details on planned expenditure and estimated funding streams for both the General Fund and Housing Revenue Account (HRA). According to the 2025 capital investment programme update, borrowing is set to reduce each year from £61.590 million in 2025/26 to £31.553 million in 2029/30. It also notes the council's success in attracting external funding for the capital programme, totalling over £100m. In addition, the council's Medium-term Financial Strategy (2022-2027) reported that the cost of capital and the impact on revenue debt charge cost means that the capital programme needs to be reviewed and reduced. Reprofiting of costs can be seen in subsequent asset management plans, including the 2025/26 Roads Asset Management Plan and the Learning Estate Asset Management Plan 2023/2024 to align with available funding and priorities. 6. The council's consideration of whole life costs of its assets is evident in the council's 2025 capital investment programme update. This includes information on long-term costs and project level investment required to 2030/31 as well

Judgements	Evidence
	as a focus on improving energy efficiency measures and working towards being carbon neutral. 7. The council has undertaken a range of risk analysis and scenario planning in relation to affordability. For example, the 2024 capital programme update includes an analysis of inflationary impacts and a subsequent review of projects and opportunities for reduced scope and costs. Further examples can be seen in the 2025/26 Roads Asset Management Plan. To avoid the risk of cost escalation, the council has implemented a robust carriageway inspection regime to address any issues early and avoid more expensive repairs later. In addition, the Ayrshire Roads Alliance Asset Management Plan (2025 update) includes the use of Scottish Collaboration of Transportation Specialists modelling to inform its risk-based approach to maintaining and improving road conditions and safety. 8. The latest figures for the council's debt to expenditure ratio are set out in the 2025 capital investment programme update. The report projects a debt liability of £708.986m by 2029/30. Capital expenditure for 2023/24 – 2028/29 is £263.599 (which includes the General Fund and HRA). The report notes that the council is actively seeking external funding opportunities to reduce its reliance on borrowing. In the council's 2024/25 Annual Audit Report, we reported that the capital programme is reviewed annually to ensure it remains within the affordability cap set by the council. The strategy and scrutiny of this, along with the affordability cap ensures the debt charges remain prudent and affordable.
5. East Ayrshire Council has a proactive approach and robust arrangements in place for the management and mitigation of building safety risks	1. The Asset Management Framework (2019) and 2025 capital investment programme update set out sufficient detail on general approaches to building safety, risk management and asset condition monitoring. 2. There is clear evidence that surveys and assessments are being undertaken in relation to building safety risks. For example, in the learning estate, school condition and suitability are assessed using the Scottish Government Core Facts methodology, which considers a range of components and elements from the school's structural frame. Each school is assigned with a rating. In 2023/24 there were 54 schools, 13 in A condition (Good - performing well and operating efficiently), 40 in B condition (Satisfactory - performing adequately but showing minor deterioration) and 1 in C condition (Poor - showing major defects and/or not operating adequately). 3. The impact of Reinforced Autoclaved Aerated Concrete (RAAC) in East Ayrshire Council is minimal, with it being

Judgements	Evidence
	present in only three council buildings, two of which have now been demolished. The council has carried out adaptations to the remaining building containing RAAC. 4. The council has clear processes for managing asbestos in its buildings. It has a specialist contractor who carries out surveys to determine the location, form, type and condition of either known or presumed asbestos in all council premises. The council assigns risk ratings based on the type of asbestos, condition of material, location (accessibility and likelihood of disturbance) and maintenance activities. The action taken is then dictated by the risk band assigned to each individual scenario. Monitoring and reporting arrangements include updates to asbestos registers, with registers to be kept onsite and available via the property portal. There are also clear actions relating to risks, with band A risks requiring immediate plans for the removal of asbestos and for band D risks requiring a visual inspection on at least an annual basis. Timescales are broadly defined by risk categories. 5. The Council's Fire Safety Policy notes that fire risk assessments are required for all council premises and are carried out by Health and Safety Advisors or trained officers. Assessments cover a variety of topics including fire prevention measures, occupancy levels, means of escape, fire safety systems and management of fire safety systems. The policy also mandates that fire risk assessments are carried out for all premises every 3 years, with annual reviews for high-risk sites like care homes. Specific actions plans are then developed detailing improvements required in response to each risk assessment. Actions are uploaded to Technology Forge and tracked until completion. Specific actions are managed through building-level plans. Fire drills are also to be carried out every six months (or at least once a term for schools) with weekly alarm tests and escape route checks and annual servicing of alarms, lighting and equipment.

2. Governance and performance

5. It is essential that the council has effective governance arrangements in place to enable transparency, oversight and scrutiny of progress with implementing its capital programme and asset management strategy. This enables better-informed decision making and corrective action where needed.

Findings and evidence relating to the council's governance arrangements and performance

Judgements	Evidence
1. The council's reporting and monitoring arrangements enable good scrutiny and oversight of progress towards implementing its capital programme and asset management plans.	1. The council has a clear governance structure in place with appropriate leadership arrangements to oversee progress towards its capital programme and asset management plans. It has established a Capital Programme Strategic Oversight Group (CPSOG) to provide strategic oversight and direction of its capital programme. The CPSOG is chaired by the Chief Executive and membership also includes the Depute Chief Executive, Chief Financial Officer, Chief Education Officer and Chief Governance Officer. 2. The CPSOG meets approximately every 4-6 weeks. During fieldwork for the audit, officers highlighted that its governance role had evolved in the last year and it now considers updates on the capital programme, as well as vacant properties and property and estates projects. The council feels that the CPSOG functions well and enables an executive level of scrutiny. 3. In addition to the CPSOG, the council has established programme boards which provide programme management for its service-level asset management plans. This includes the: – Learning Estate Programme Board to coordinate major projects relating to the Learning Estate Management Plan – Strategic Housing Investment Plan/Housing Asset Management Framework Programme Board to coordinate major projects relating to the Strategic

Judgements	Evidence
	Housing Investment Plan and Housing Asset Management Framework. - The council regularly reports progress with the capital programme to Cabinet and the Governance and Scrutiny Committee via quarterly East Ayrshire Performs reports. Reports give a comprehensive update on progress towards implementing the capital programme and include: - financial resilience indicators, including measures for capital financing, investment and borrowing - detailed reporting on specific projects, including commentary on slippage and action to address this including updates on reprofiling of the capital budget - performance indicators, such as current year spend to date, current year funding and project progress for each project. - We observed the scrutiny of the 2025/26 quarter 1 and quarter 2 East Ayrshire Performs reports at Cabinet and found a good level of scrutiny and challenge from elected members relating to the capital programme update included within these. - Cabinet also receives reports on service-level asset management plans. For example, it received the 2025/26 Roads Asset Management Plan and Learning Estate Management Plan 2023/24 for approval. It also receives annual progress reports on service-level asset management plans, such as the Housing Asset Management Framework and Property Management Plan.
2. The council regularly reports progress with the delivery of its capital programme. These show significant expenditure on some key projects, but financial pressures and external factors are leading to slippage across a number of projects.	- The 2024/25 Annual Audit Report noted slippage against the general services capital expenditure budget in 2024/25. Expenditure was £25.345 million against a budget of £41.866 million (60 per cent of the revised budget). Significant expenditure was made on some key projects including St Sophia's Primary School, Ayrshire Roads Alliance East projects and vehicle purchases. But East Ayrshire Performs reports highlighted slippage across numerous projects for various reasons including additional works being required that had not been anticipated and delays for legal or build requirements. Housing services delivered 96 per cent of its capital expenditure budget. - The 2024/25 Annual Audit Report also highlighted that the council reviewed and re-profiled the capital programme in the current and prior year to ensure it continues to remain within its agreed affordability criteria. The council intends

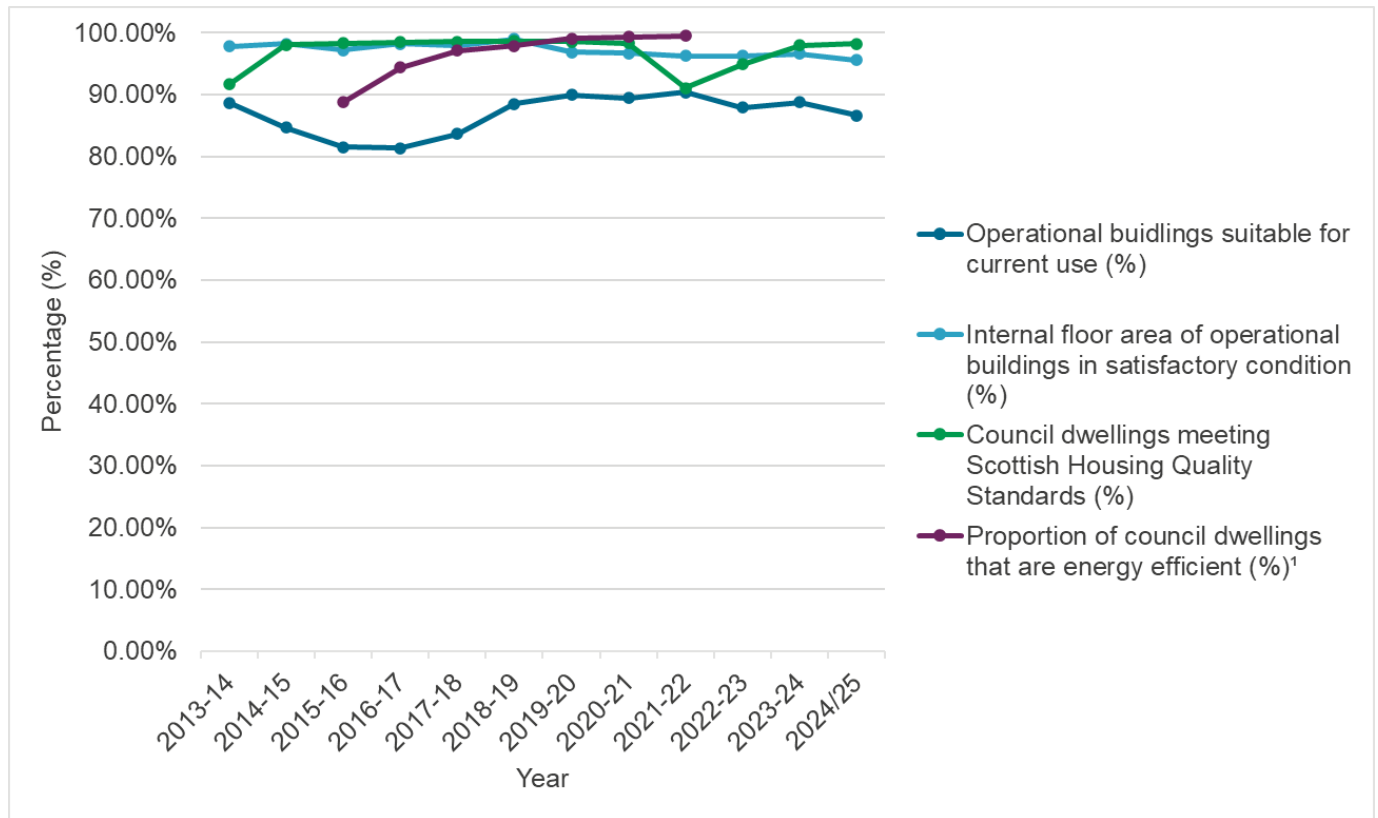
Judgements	Evidence
3. The council performs well nationally in relation to its assets. Mixed trend performance is reported in its own corporate asset management indicators.	to review its capital programme on an ongoing basis and, where necessary, re-prioritise projects in line with strategic priorities and financial resources available. 3. At the time of the audit, the 2025/26 quarter one and quarter two East Ayrshire Performs reports had been presented to Cabinet and the Governance and Scrutiny Committee. Both reports highlighted increased costs for particular projects. They also proposed re-phasing of the capital programme. The quarter one report proposed a reduction in the General Services capital budget from £96.640 million to £71.452 million, with a further reduction to £63.224 million in the quarter two report. The re-phasing ensures the budget is aligned with the planned delivery of the project.
	1. The council is in the top quartile of performance for three of the four asset management Local Government Benchmarking Framework indicators, although performance trends have been mixed (Exhibit 2, page 19). For example: – In 2024/25, 98.2 per cent of council dwellings met the Scottish Housing Quality Standards. The council has ranked first nationally in this indicator for the last three years. – The council has ranked first nationally for the proportion of its dwellings that are energy efficient and performance in this indicator has improved over time. – The council's performance in relation to the percentage of the internal floor area of operational buildings in a satisfactory condition has declined over time but its performance ranked within the top quartile in 2024/25. – Performance declined slightly over time in relation to the percentage of operational buildings that are suitable for their current use. The council's performance ranked in the third quartile in 2024/25. 2. The council included a performance management framework within its 2019 Asset Management Framework. This includes 12 performance indicators relating to asset condition, occupancy, accessibility and energy use. These are updated annually and publicly reported through the council's performance indicator dashboard on its website. The latest data shows that between 2018/19 and 2023/24, four of the indicators demonstrated an improving trend and seven showed a declining trend. One indicator (percentage of council buildings in which all public areas are suitable for and accessible to disabled people) is no

Judgements	Evidence
	longer reported, with the data last being reported in 2021/22. 3. The four indicators showing an improving trend between 2018/19 and 2023/24 were: – actual energy usage across the council estate – overall energy usage – percentage of schools graded A (good) and B (satisfactory) – percentage of operational accommodation that is suitable for its current use. 4. Over the same time period, there was a declining trend in relation to: – occupancy rates for office accommodation (square metres per full time equivalent) – extent of the operational portfolio (square metres) – percentage of primary schools with occupancy levels above 60 per cent – percentage of secondary schools with occupancy levels above 60 per cent – number of attendances per 1,000 population – pools – number of attendances per 1,000 population – indoor sports and leisure facilities – proportion of office accommodation that is in a satisfactory condition.

Exhibit 2

Trend in performance against Local Government Benchmarking Framework indicators

East Ayrshire Council generally performs well in relevant LGBF indicators



Note:

1. Data for this indicator has not been collected since 2021/22. Energy efficiency targets for social housing are temporarily on hold pending the development of a new standard that aligns with Scotland's net zero target.

Source: Audit Scotland using Local Government Benchmarking Framework

3. Partnership working and community engagement

6. It is essential that councils consider how they can collaborate across services and with other public and third sector organisations to manage assets. This has the potential to achieve savings, better align service provision and create opportunities for joint working. Councils should also have transparent and robust processes in place for supporting and assessing community asset transfer requests and engaging with their communities on asset management plans and priorities.

Findings and evidence relating to the council's partnership working and community engagement arrangements

Judgements	Evidence
1. East Ayrshire Council works collaboratively with partners to manage and deliver shared assets locally.	1. East Ayrshire Council works collaboratively with South Ayrshire Council to share roads and transportation services through the Ayrshire Roads Alliance (ARA). As reported in the 2023/24 Best Value thematic report on workforce innovation, ARA has been in place since 2014 and delivers road services including roads maintenance, winter maintenance, design and infrastructure, traffic and transportation and road safety. ARA achieved savings of £21.3 million in its first ten years against expected savings of £8.6 million. The council is carrying out a service review of ARA and plans to report on this to the Full Council in February 2026. 2. East Ayrshire Council is considering new and collaborative ways of using its assets through place-based approaches. An example of this is Cumnock Health and Wellbeing Hub which is being designed to integrate services and respond to the requirements of multiple partners. The project also aligns with the objectives of the Health and Social Care Partnership's Property and Asset Management Strategy (2024-2027) to deliver services closer to people's homes and communities, as well as gaining best value from property assets. The strategy also commits to the principle of co-location and asset sharing, whereby the council aims to work with community planning partners to co-locate health and social care services. The council worked with

Judgements	Evidence
	the Leisure Trust to maintain cultural events following the closure of the Palace Theatre for refurbishment. Both partners worked to install a large temporary performance tent in 2024 and repurpose a games hall for the festive pantomime, which is a key source of income for the Leisure Trust. The council reports that these creative, place-based solutions allowed time to plan for future capital investment while maintaining community access to theatre. Building on this success, the Leisure Trust created a purpose-built auditorium for the production of <i>Sleeping Beauty</i> in 2025, reinforcing its commitment to innovative use of local assets. 3. East Ayrshire Council has also supported communities to take ownership of assets through the Community Asset Transfer process. A notable example of this is the transfer of the former Kilmarnock Academy building to Centrestage, a musical theatre company /charity. The council agreed to transfer the building for 10 per cent of the market value in 2017, with additional investment provided through the Scottish Government's Regeneration Capital Grant Fund. The site is now a community hub which also hosts partner organisations delivering housing support, literacy programs, nursery services, gymnastics, kinship care, employability, and youth work. Another example of a successful Community Asset Transfer can be seen at Case Study 1 (page 23).
2. East Ayrshire Council has a clear approach to engaging with communities on asset management planning and can demonstrate how it has worked with communities to inform its decision making in relation to assets.	1. Community engagement and collaboration is a key aspiration within the council's Asset Management Framework and Capital Report (2019). For example, through the framework, the council commits to the 'Place Principle' approach which promotes collaborative, place-based planning where assets are jointly managed with communities to improve outcomes and facilitate community-led regeneration. 2. The council is delivering the Place-Based Investment Programme, which is a Scottish Government capital fund which supports community-led projects. The programme aims to ensure that investment is shaped by the needs and aspirations of local communities. Projects which received funding in 2024/25 included a kitchen extension for Ochiltree Community Hub, a mezzanine for Darvel Sport Centre and a heating upgrade for Netherthird Initiative for Community Empowerment. Part of the governance of the fund has also involved recruiting community members with lived-experience of managing regeneration projects, to sit on a panel that scores

Judgements	Evidence
	applications for place-based investment and therefore influences the recommendations made for investment in the local area. 3. The council's Community Asset Transfer policy demonstrates a proactive and structured approach to engaging communities in asset management planning. A key example of this is at stage two of the Community Asset Transfer process, whereby applications for submission must demonstrate a clear community demand for the transfer. It also notes that any information submitted as part of the application will be made available online for public comment. The council also commits to providing a dedicated member of staff for community asset groups to support them through the process, as well as helping to build their capacity and skills to manage assets. 4. The council also provided examples demonstrating how its engagement with communities directly influenced decision making in relation to asset management. For example, in April 2015 it agreed to demolish and clear the former community centre and library site, following a detailed proposal from Ochiltree Community Hub to build a new multi-purpose, environmentally friendly facility, subject to planning consent and proof of sufficient funding being secured. In June 2014, it worked with Drongan's community association to co-design a solution after no group came forward to take on the community centre, library, games hall, pitch and pavilion after being listed for asset transfer. Plans were developed with the community to relocate facilities into the school's community wing and move the early childhood centre, enabling the demolition of old buildings and ensuring that community access to these services was retained. 5. More recently, in January 2025, Cabinet approved a ten-year lease of the pitch and pavilion at King George V Playing Field in Fenwick to Fenwick Community Initiatives, under the Community Asset Transfer Framework. The council had previously listed the site for demolition, however the charity had later identified the site as a priority within its Community Action Plan (2020-2025). This was informed by extensive community consultation that involved community surveys being delivered to every property in the village and engagement with over 80 local young people. Based on the responses from its consultation, Fenwick Community Initiatives proposed an ambitious project to develop the site to improve health and wellbeing opportunities in the local area. It has also

Judgements	Evidence
3. The council has a strong track record and clear approach for supporting Community Asset Transfer (CAT) requests. 4. The Council has a consistent approach to assessing and scoring CAT applications against outlined criteria, however overall transparency could be improved.	secured £165,000 of funding to carry out drainage improvements on the pitch.
	1. The Community Asset Transfer (CAT) process is described as an essential element of the council's Asset Management Framework (2019). The council has a long-standing CAT Policy, approved in 2012, which pre-dates the Community Empowerment (Scotland) Act 2015. It was updated in 2017 and renamed the CAT Framework to reflect the Community Empowerment (Scotland) Act 2015 and lessons learned to offer three options for managing council-owned assets – a management agreement, lease or full ownership. CATs have been incorporated into two consecutive transformation programmes and will continue to be used to rationalise assets. 2. To date, the council has successfully completed over 70 CATs. It has not published its Scottish Government CAT return on its website since 2022/23. The most recent Scottish Government Asset Transfer Request data return (relating to the year 2023/24) shows four CAT applications were received and approved in year. Additionally, it details how the council has promoted the benefits of asset transfer including but not limited to case studies, filming successful sites and the use of a new social media channel for CATs for promotional activities and public engagement. 3. Operational responsibility for CATs remains under the Vibrant Communities team, which was transferred into the Leisure Trust in April 2024, following an internal review. The Council retains ultimate responsibility for CATs. The Leisure Trust Facility Strategy outlines a vision for the use of the CAT model to provide flexible community spaces and community partnerships. A service level agreement is in place between the council and the Leisure Trust which outlines key roles, responsibilities and reporting requirements. To ensure alignment to the council's wider capital and asset management governance, the Chief Officer of the Leisure Trust sits on the Capital Programme and Strategic Oversight Group. 4. The CAT Framework provides clear guidance to community organisations looking to progress with a CAT application. The Framework and dedicated website pages outline the five-stage process used consistently by the council. The council commits to uploading supplementary information relating to CAT requests, however it is unclear if the website is currently up-to-date. For example, it is not

Judgements	Evidence
	clear which applications are currently ongoing or have concluded, with only limited information uploaded for each application. This primarily relates to consultation results rather than CAT application forms, supplementary information or links to decision notices required under Scottish Government guidance to relevant authorities. 5. Governance arrangements are set out in the CAT Framework, providing clear guidance for community bodies. Validated CAT requests are first considered by a multi-disciplinary officer working group (MDOWG) against the criteria set out in the framework. This review forms the basis of the report which is reported to Cabinet with a recommendation to accept or refuse the CAT application, with supporting narrative around the decision-making process. 6. The CAT assessment forms completed by the MDOWG are not publicly available, however from our review the council has a clear approach to scoring and assessing CAT applications against specific criteria outlined in the CAT Framework including community benefit, risk assessment and an evaluation of the CAT body's financial and governance arrangements. Papers presented to Cabinet provide limited information on supplementary information for CAT requests. 7. The council has a clear approach to engaging with community groups to support them to develop viable proposals for CATs. It signposts community organisations to an internal point of contact who will agree an appropriate support programme if desired as well as external organisations such as the Development Trust Support (DTAS) and Community Ownership Support Service (COSS).

Case study 1

Netherthird Community Centre

East Ayrshire Council successfully engaged with the community through the Community Asset Transfer of Netherthird Community Centre. The centre was initially facing closure due to high costs and low usage; local residents collaborated in 2013/14 to form a charity called Netherthird Initiative for Community Empowerment (NICE). NICE later took over control of the community centre with the support of the council, including tapered revenue costs and an insurance recharge free period.

These measures enabled the charity to attain funding support to transform the facility by adding a café, shop, gym, and improving the hall. NICE also adapted to community needs by introducing employability programmes, gardening projects, and a food support service during COVID-19. Responding to local mental health needs, NICE secured funding for wellbeing sessions and have since expanded the provision of consultation rooms to provide long-term support for local people. To ensure sustainability, it installed a 24kW solar array with battery storage, effectively reducing energy costs.

In 2023, NICE purchased the building using Scottish Land Fund support.

Source: Audit Scotland

East Ayrshire Council

How well councils are managing assets to achieve their corporate objectives and respond to challenges around financial sustainability and climate change



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