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Dear Mr Maddox

FUNDING FOR TRANSPORT ASSET MANAGEMENT

I refer to the submission by Wirral Metropolitan Borough to the Department for Transport, for Element 1 asset management funding in 2008/09 and 2009/10 to assist authorities to develop their asset management capability for their highway assets.

Our Minister has carefully considered your submission and has decided to make the following allocation to Wirral Metropolitan Borough:

	Capital Funding	Revenue Funding
2008/09	43600	50000
2009/10	40800	-

You will be aware that the Government has asked the Chartered Institute for Public Finance and Accountancy (CIPFA) to implement CIPFA's recommended changes in local authority accounting for highway assets (the letter from the Chief Secretary to the Treasury to the CIPFA Chief Executive is attached). Although CIPFA have been asked to take a 'prepare and decide' approach which allows some flexibility in timing if necessary, we expect that your authority will be required to state its accounts on the new basis from 2011/12. The funding announced by this letter is intended to assist your authority with building up its highways asset inventory and analysis capability, but should also assist your authority with this change.

You should also be aware that the Audit Commission has announced that asset management will feature in the Key Lines of Enquiry to be followed in the new Comprehensive Area Assessment from this year. Audit teams will consider whether "the organisation has a strategic approach to asset management based on an analysis of need to deliver strategic priorities, service needs and intended outcomes".¹ We hope that all authorities are actively ensuring that they are moving towards meeting this goal with respect to their highway assets.

A grant determination for this sum is attached. Please contact me if you require any feedback about your allocation. I am copying this letter to the official from your authority that submitted the original bid for funding.

¹ Audit Commission (February 2009), *Use of Resources Framework: Overall approach and key lines of enquiry*, Appendix 1

Yours sincerely,

Andrew Oldland