

South Derbyshire District Council

**CAPITAL
STRATEGY**

JULY 2002

1. BACKGROUND

- 1.1 South Derbyshire is the fastest growing district in Derbyshire, with its good links to centres of employment in Birmingham, Derby, Nottingham and Leicester and more locally Burton on Trent.
- 1.2 While proud of its history as a former coalfield area, the district has changed dramatically in recent years. This has created new demands on the District Council and the services that it delivers to its residents.
- 1.3 Key features are the need to deal with the legacy of former mining sites and at the same time provide employment and an attractive and safe place to live for local residents.
- 1.4 South Derbyshire faces the challenge of meeting the competing needs of 82,000 residents living in both the urban core and the 31 parishes spread across the 33,000 hectares of the District.
- 1.5 No capital strategy for South Derbyshire can work without good partnership arrangements. The Council relies on working with partner organisations to develop key capital projects including the Swadlincote Woodlands project, part of the widely acclaimed National Forest Initiative, of which 25% lies within South Derbyshire.
- 1.6 "Responsible Bidding" is the key concept underpinning this strategy. This means that the Council will only bid for funds, which support the achievement of the Council's corporate objectives and priorities

2. CAPITAL REQUIREMENTS AND RESOURCES

Key Aspects of Capital Investment

- 2.1 In November 2001, the Council produced its first Corporate Plan. This was developed through working groups/seminars involving members and officers. The final document was approved unanimously by the full Council.
- 2.2 The Document provided an opportunity to review the key aims and objectives for the Council as well as the way it seeks to conduct its business. This is set out in Annex A, which shows how this links to the key areas for Capital Investment outlined below.
- 2.3 The key areas for capital investment are outlined below:-
 - **Key Capital Focus 1 - HOUSING** – ensuring that everyone has access to a reasonable standard of accommodation. The Council has commissioned a stock condition survey that will enable it to set a ten-year programme to achieve the decent homes standard. Particular attention is being focussed on directing resources to planned and preventative maintenance away from responsive repairs. The Council is also conscious of the changing needs of local residents who require adaptations or improvements to enable them to remain in their existing homes. It also needs to meet the challenge of addressing increased tenant expectations for the standard of Council Homes
 - **Key Capital Focus 2 - REGENERATION** – to work with partners to improve the physical environment and regenerate former coalfield areas. The Swadlincote Woodlands infrastructure has been funded through SRB partnership arrangements.
 - **Key Capital Focus 3 - LEISURE & TOURISM** – to maintain existing leisure facilities and encourage residents and visitors to take advantage of a range of leisure activities across South Derbyshire.
 - **Key Capital Focus 4 - CRIME AND DISORDER** – to work with the crime and disorder partnership to reduce crime levels and the fear of crime within the District.
 - **Key Capital Focus 5 - E-GOVERNMENT** – to embrace the opportunities presented by e-government to deliver even better services in new and innovative ways within existing revenue resources.
- 2.4 Although priorities will undoubtedly change over the next 3 years particular emphasis will be placed on Key Capital Focus's 1, 2 & 5. The allocation of resources matches these funding priorities, Please see context sheet for Capital Strategy & Asset Management Plan.

Revenue Implications of Capital Investment

- 2.5 Like many other councils, South Derbyshire's day to day (revenue) spending resources are limited. This means that revenue funding for capital schemes is limited both in terms of funding the initial scheme costs and meeting on-going running costs.
- 2.6 As a consequence, particular attention is paid to on-going revenue costs stemming from capital projects within the appraisal process. All potential capital bids are asked to identify how ongoing revenue costs and consider how these can be met. Once approved revenue costs stemming from capital schemes are built into the council's three year revenue budget strategy. This ensures that there is sufficient on-going funding for new schemes.

The Framework for Managing and Monitoring the Capital Programme

- 2.7 As part of the initial capital strategy, the Council set out its commitment to establishing effective systems to manage and monitor capital spending. This was set out in an action plan within the first draft capital strategy. In essence the Council has put in place regular monitoring meetings involving key managers with Capital projects. These set out to monitor the key stages of each scheme from invitation to tender through to completion of the final works.
- 2.8 Annex B highlights the progress that has been achieved against the action plan for last year, this is in addition to a considerable level of progress reported in last year's strategy. The Council has established a capital programme working group, headed by the Chief Finance Officer, which monitors progress on capital schemes on a monthly basis. This is attended by the Corporate Property Officers and Divisional Heads of Technical Services, Housing Maintenance & Management and Leisure and Development Services who have responsibility for the majority of capital schemes. Recently, the group has been merged with the Asset Management Planning Group to create one single group responsible for asset/property issues. This new group has also been involved in the development of the Council's Capital Strategy and Asset Management Plan.
- 2.9 The results of this monitoring are reported to members within the Council's Finance Briefing document. The monitoring has also been effective in identifying additional capital resources and redirecting other resources during the year within the capital programme. For example this enabled the Council to proceed with some emergency work on Flood Prevention assistance in one of the parishes

Additional Capital Resources – Responsible Bidding

- 2.10 With the exception of Housing investment, funded through the Major Repairs Allowance, the Council has limited capital resources to devote to other capital projects. The Council therefore seeks to add to these resources by bidding for funds from a range of potential sources.
- 2.11 The Council has embraced the concept of Responsible Bidding, which means that the Council will only pursue funding opportunities where they allow it to achieve the strategic objectives outlined within this capital strategy. This approach was welcomed by a number of consultees.
- 2.12 All bids for external funding are either expected to be consistent with developing schemes within the Council's existing capital programme or directed at key council aims and objectives. The core criteria for the assessment, which is undertaken by members and senior officers, are set out in Annex C and summarised below:-
- **Sustainability** – whether the scheme costs are realistic and the level of future support required
 - **Additional Funding** - Potential to draw down external funds and enhance Council investment
 - **Strategic Importance** - Links with Council, regional and national objectives.
- 2.13 The Council takes into account these appraisals when deciding which schemes should be included within the Council's capital programme. The Council has already begun to consult area committees about its spending proposals. These meetings, attended by local residents, will be used more extensively to get their view at an early stage on capital spending priorities.
- 2.14 Most council capital projects tend to be below £50,000. As a consequence the Council has few major projects. It is recognised that a more detailed assessment may need to be introduced for these projects that looks in greater depth at the options for implementing. To an extent this is already done with the information that is sought to accompany capital bids Annex C2

- 2.15 The Council has already started this process with bids for Private Sector Renewal schemes. It has had to look at options for keeping the spending on these schemes within the Council's overall capital resources. This has required a balance to be struck with other competing demands for resources within the appraisal process. The final allocation of resources, especially for significant projects (above £50,000) therefore considers the potential to scale down these projects to enable a broader range of other projects to proceed as well.

PROCUREMENT - Existing and proposed arrangements

- 2.16 Council Standing Orders and Financial Regulations require contracts to be awarded following fair and open competition except in exceptional urgent circumstances. The Council has in place a council-wide procurement strategy. This is currently under review and scheduled for completion in September.
- 2.17 The Council has already recognised the need to develop a new and more flexible approach to procurement for capital schemes. By nature of its size and staffing resources the council will find it difficult to employ project managers specialised in every particular area or scheme that the Council may wish to initiate.
- 2.18 The new approach is based on the adoption of 'Egan' principles, and refers to the Rethinking Construction paper produced by Sir John Egan. The principles focus on partnership working, the pursuit of quality and the satisfaction of customer needs. The key issue is how these principles can be followed while maintaining probity in the use of public funds (Rethinking Construction and recent consultation paper is relevant when you are looking at this in future – let me know if you need any information).
- 2.19 As a step towards implementing these principles, while avoiding potential conflict and confusion works of a similar nature is being packaged and tendered under one contract, such as annual planned maintenance contracts.
- 2.20 This approach has been successful in terms of reducing delays in starting works and letting contracts. Tenants therefore see an earlier response to their problems. Having said this the Council will need to put in place systems to benchmark the costs of providing services in this way to ensure that the prices charged are cost effective. At the moment it has gained this reassurance by using existing costs as a benchmark but this situation will need to change.
- 2.21 The Council's improvement strategy for its own housing stock allows for schemes, which ensure affordable warmth and reductions in harmful gases such as CO² emissions.

Approach to PPP/PFI

- 2.22 The Council is keen to explore all avenues for generating investment in delivering its services. However due to the relatively small size of the Council and the nature of many capital schemes, some alternatives such as PPP/PFI are not always appropriate, except for much larger scale projects.
- 2.23 As part of the Best Value Process the Council has worked with tenants and external consultants to look at the strategic options for maintaining its housing stock over the next 10 years. This has included consideration of PFI opportunities for stock improvement.
- 2.24 On another level, the Council recognises that it needs to generate considerable investment to implement the e-government agenda, which cannot be met cost-effectively by the council developing services on its own. Accordingly the council is actively developing and seeking partnerships with other Derbyshire Districts and neighbouring councils to embrace the opportunities presented by e-government. As part of this the Council has been successful, along with four other partners in attracting over £1.75m of funding for an innovative new projects involving implementation of Revenues & Benefits System to facilitate closer working between the councils.

Influencing Others

- 2.25 An important part of the Council's role is to act as an 'advocate' for the people of South Derbyshire in securing new capital investment in the district. This role takes various forms (e.g. lobbying, facilitating, directing etc.) and is initiated through the Council's plans and strategies, such as the South Derbyshire Local Plan, or through our contribution to the plans and strategies of partner organisations.
- 2.26 The Council has a long tradition of working with partners to secure the provision of new or enhanced facilities for the people of South Derbyshire.

2.27 The Community Partnership Scheme (established in 1997) is an example of this approach. The scheme involved a three-year injection of capital funds (via the Government's Capital Challenge initiative) to the value of £600,000. These funds were used to help resource community based projects and projects promoted by the Council.

2.28 The Council also looks to work with local community groups and an example of this is the Old Post House Regeneration Project, which has attracted funds to develop a previously derelict building for Community Use.

3 DEVELOPING PARTNERSHIPS

3.1 The Council is committed to working with a range of partners in the provision of facilities to enhance the quality of life for those who live and work in the district. Annex D sets out the wide range of partnerships through which the Council seeks to achieve its Capital Spending goals.

3.2 Although work on creating a Community Partnership is behind schedule, the Council has put a lot of effort into broadening the understanding of members and officers into the reality of working in partnership to deliver key community and council aims. This is essential in the future if the Council is to engage in real partnership working.

3.3 At a local level the Council has held one meeting with partners across South Derbyshire but recognises the need to move forward with this. It has held a number of meetings with neighbouring authorities, which span a number of both county areas and indeed regional areas. This has helped the Council identify more common ground for partnership working across the district. For example this has prompted closer discussion on facilitating improved transport links through South Derbyshire and its neighbours.

Links to capital investment

3.4 A number of examples of partnership working have already been identified in Section 2 but there are many others. For example, partnership working also underpins the Council's capital investment in housing and e-government

- use of planning agreements and commuted sums to support work by Registered Social Landlord to provide new affordable homes and bring empty homes back into use.
- work with tenants through Area Tenants' Meetings and the District Housing Group to explore options for the improvement and repair of the Council's housing stock.
- delivery of the private sector grants programme in partnership with Walbrook Care and Repair, the South Derbyshire Council for Voluntary Services and the local Police.
- Generating over £1.75m of Capital Investment with a partnership of four other Derbyshire authorities for joint revenues and benefifts working.
- Generating over £2m of capital investment in e-government across Derbyshire.
- Work with Made in Swadlincote partnerhsip to develop Sharpe's Pottery within Swadlincote.

3.5 For comparison purposes, the Council recently compared the level of lottery funding that had been attracted to South Derbyshire since its inception. This indicated that South Derbyshire ranked second in terms of grant per head of population, although this ranking falls to 7th when only the most recent awards since January 2000 are taken into account. Comparisons are made with other Derbyshire Councils and neighbouring authorities.

4. CONSULTATION

Community Planning

4.1 The Council recognises the strategic importance of developing a community strategy for South Derbyshire. This has not been achieved to date. A key element of developing this strategy will be to engage with local residents, other stakeholders and partners. Work in this area has already begun and will ultimately produce a document that sets out the aims and aspirations of the community of South Derbyshire.

4.2 The Council has however produced a Corporate Plan, which has formed the basis for consultation with partners about the overall aims and objectives of the Council. This is referred to in Section 2 above. These will be kept under review during the community planning process.

Consultation Strategy

- 4.3 The Council has a consultation strategy, which has been developed using Best Value principles. The previous capital strategy was distributed to key partners across the District. The feedback was generally positive with partners confirming the key priority areas for capital investment that are outlined in Section 2. Partners recognised the need for responsible bidding and that the Council could often only make a contribution to capital schemes.
- 4.4 There is concern however that stakeholders and partners are facing consultation overload. It is recognised that while important at a strategic level it can be difficult to engage consultees to the extent that they take part in a consultation meeting on the capital strategy.
- 4.5 The Council will look to link in to existing consultation opportunities to seek the views of businesses and stakeholders on the council's capital strategy. This has already been actioned in part via consultation with District Business representatives at the annual business ratepayers meeting.
- 4.6 The Council also holds quarterly area meetings across the District. These tend to be well attended by local residents and the opportunity will be taken to bring them into the consultation process. The Council has also established a citizen's panel in partnership with Derbyshire County Council which will provide another means of seeking
- 4.7 Consultation has indicated that there is a clear need to raise awareness amongst interested groups about the Council's role in Capital Investment. Groups initially may view the Council as providing all of the finance for new investment and find it difficult to advise on conflicting priorities. The Council is now aiming its consultation on raising awareness about what it can fund directly and what it can facilitate by matching its funds to others. It is also trying to provide sufficient background information and talk about identifiable schemes that give the public a chance to comment on conflicting investment priorities at an early stage before the investment decision is taken.

Feedback to Stakeholders

- 4.8 The Council has benefitted from SRB funding for a number of years. Through this process it has provided detailed feedback to funders on the progress of the scheme. It has also been accountable to an SRB board for the implementation of key projects. This has helped to generate additional funds as the scheme has progressed and gained partner commitment to it.
- 4.9 It has also helped to bring forward other schemes, which are currently underway. The regeneration of the Sharpe's Heritage Pottery is a good example of this. Indeed the Council has contributed some £70,000 of funding to this project in the current year. The redevelopment of the Old Post House in Newhall which will provide a base for community groups and help to regenerate that area of Swadlincote is another example of this approach.
- 4.10 Within this process the Council recognises the need to work closely with these organisations to ensure it is meeting both the Council's and their own individual needs. Indeed the Council can point to a number of areas where it has worked with stakeholders and received repeat funding to reflect the success of its schemes this includes:-
- **Rosliston Forestry Centre** – further funding provided to improve car parking and visitor facilities at the centre in addition to funding already provided as part of the National Forest initiative
 - **Crime & Disorder** – further joint funding with the police of Burglary prevention projects following success of first pilot.

5. LINKS TO OTHER STRATEGIES AND PLANS

- 5.1 The Council's Capital Strategy links closely to the Council's Corporate Plan, which sets out the overall aims and objectives for the Council and how it intends to deliver them.
- 5.2 The Corporate Plan provides a framework for developing council-wide strategies and individual service plans for each division. In turn the Plan also influences council spending plans. The Council has sought to bring service and financial planning closer together. This helps to ensure that spending decisions are linked closely to service needs.
- 5.3 Clearly the Capital Strategy links closely to the Council's Asset Management Plan. The Council has recently merged the two groups dealing with these issues. This enables consistency to be maintained between the two documents.

5.4 The Asset Management Plan identifies the need for Capital Spending on maintaining and updating existing Council Assets. As it develops it will play a key role in identifying potential surplus assets for disposal to generate receipts to fund the Capital Strategy.

5.5 Other strategies with close links to the Capital Strategy include the Housing Strategy and Crime Reduction Strategy.

6. PERFORMANCE MEASUREMENT & INNOVATION

6.1 The Council adopts the Audit Commission Performance Measures. In addition the Asset Management Plan has looked at ways of making bench-marking comparisons with other similar local authorities.

6.2 In view of the size of the organisation and the relatively small range of schemes that it can finance within any one year, it is probably most appropriate to focus performance measures on Housing Schemes which, with the addition of the Major Repairs Allowance account for the majority of all Capital Spending.

6.3 Annex E identifies a number of performance measures that the Council has started to use as a means of looking at how effectively it is achieving its capital programme. Essentially these indicators seek to measure effectiveness in terms of:-

- generating resources for capital investment
- achieving the capital programme and delivering capital schemes
- customer satisfaction with the service provided.

6.4 The Council's Asset Management & Monitoring Group focuses on a monthly basis on the achievement of key milestones within capital programmes.

6.5 The Chief Finance Officer produces a monthly finance briefing, which provides an overview of the Council Finances. This includes a specific section on the capital programme and its implementation. This is distributed to members and available to all Council staff on the council's public folders and provides a means of keeping them up to date with progress on the Council's capital programme.

6.6 In addition the Council has started to focus more on the outcomes that capital projects are expected to produce. All officers responsible for capital projects have identified measurable outputs that their schemes will deliver in 2002/3. The corporate asset management & monitoring group will be used to monitor this process.

6.7 Collecting performance information has also begun to have a marked impact on the service that we provide to our customers.

- Up to 99% of private sector renewal grants allocated and spent within the year compared with a figure of 76% in the previous year. The figure in previous years was even lower
- Better planning of the housing programme with an emphasis on ensuring that work is placed as early as possible in the year means that fewer tenants now have works carried out in winter months.

6.8 The indicators also demonstrate that the Council continues to be successful in implementing its capital programme. In previous years a key area of concern was housing grants. This position has been reversed dramatically with 99% of grants allocated and spent in the year – a considerable achievement that has been a result of close monitoring of performance indicators that are collected on a monthly basis.

6.9 The Council can also demonstrate a marked improvement in generating resources for its future capital projects via asset sales and also partnership funding. While it is important to continue to monitor success in these areas it should be recognised that performance in these areas may well be subject to fluctuation, as different Government spending initiatives influence the grants available. The indicators for 2001/2 reflect resources generated via SRB funding.

6.10 The next stage will be to look again at benchmarking this information. As a first step the Council will exchange compare Capital Strategies with its neighbours and other Derbyshire authorities and look to making comparison with performance indicators within them.

7. CROSS-CUTTING ACTIVITY

Regeneration

- 7.1 Partnership working has, and will continue to be, important in dealing with 'cross cutting' issues such as the regeneration of the former South Derbyshire Coalfield. The coalfield area includes Swadlincote (the largest centre of population in the district) and a number of small rural communities. Within the area, there are pockets of poor quality housing, above average levels of unemployment and sites, which reflect a legacy of coal and clay extraction.
- 7.2 The Council's on going contribution to the regeneration of this area includes:
- support for the establishment of the National Forest (e.g. through contributions to the provision and development of the Rosliston Forestry Centre)
 - support for the Made in Swadlincote Partnership in the development and implementation of the six year Swadlincote Woodlands Regeneration Scheme, funded in part by Single Regeneration Budget (SRB) Challenge Funds. The Council manages the scheme and has particular responsibility for a number of projects including the provision of new workspace units, the creation of the Swadlincote Woodlands Forest Park, and the establishment of 'Home 2000' (an area based project designed to encourage home repair and improvement and to promote energy efficiency)
 - support for the Leicestershire and South Derbyshire Coalfield Partnership in the delivery of two more recent SRB schemes designed to regenerate the wider coalfield area. These schemes include measures to tackle social exclusion, promote healthy living, improve access to services and supporting education and training.
- 7.3 These schemes have helped to regenerate the environment of the former coalfields community and have proved successful in attracting housing development and indeed jobs to the area.

Crime & Disorder

- 7.4 The Council has worked with its Crime and Disorder partners to provide capital funding towards the reduction of crime in the district. Last year the Council provided £10,000 towards a burglary reduction project for private sector housing involving 30 households that had suffered a burglary. This project was completed successfully with no further burglaries at the properties targetted and a perceived reduction in the fear of crime. This has been used as a modal for a further scheme this year using the Council's £10,000 as partnership funding towards SRB6, Derbyshire County Council and Home Office resources.
- 7.5 The Crime and Disorder Partnership is also working with the Council on crime risk assessments of its facilities to identify how capital improvements could reduce crime and anti-social behaviour and the resultant cost of that activity.

E-Government

- 7.6 As part of the preparations for e-government the Council is keen to explore other ways to generate investment in IT for the benefit of South Derbyshire residents at a price that the Council can afford. As a District Council the cost of new computer systems is often prohibitive but at the same time it is hard to move forward with the e-government agenda without them.
- 7.7 The Council has been successful in working with two partnerships to generate significant funding for e-government projects. The Derbyshire Revenues and Benefits Consortium has achieved Invest to Save Funding of £1.75m towards the costs of implementing modern electronic revenues and benefits service delivery. In advance of the new system the partners have already looked at how they can work more closely together to provide more efficient and effective benefits administration. For example single advice leaflets are being prepared for a number of authorities rather than them each preparing them individually. Similarly the IEG in Derbyshire Forum has secured funding of £2m to link councils across Derbyshire more closely.

Best Value Reviews

- 7.8 During 2001 the Council undertook a specific review examining all aspects of Asset Management within the authority. This signals the council's commitment to implementing its Asset Management Plan and looking in detail at how this links with the Capital Strategy.

- 7.9 The results of Best Value Reviews are integrated into the Council's Service Planning process. Where reviews have been undertaken, their recommendations are included within Service Plans, for example the reviews of sheltered housing services, refuse & street cleansing, and Finance Management & Control. Actions include areas where capital investment are needed and these are put forward as part of the capital bidding process.
- 7.10 The priority for these Best Value schemes is reflected within the Corporate Key Criteria set out in Annex C. You will note that contributions to Council, Service and National Priorities accounts for 50% of the weighting. A scheme linked to Best Value will score against all of these criteria, and specifically on item 15. For example the current programme includes funding for improvement to the Lifeline System (Best Value Review Sheltered Housing) and a new Financial Information Systems (Best Value Review – Financial Management & Control).

Disposal Strategy

- 7.11 The Council recognises the need to dispose of surplus land to help it to achieve some of its capital aspirations that are set out within this plan. The Asset Management Plan identifies potential disposal opportunities in more detail. The Council has already marketed some land successfully with disposal completed.
- 7.12 While the Council is keen to explore disposal opportunities, capital resources are limited and could only provide short/medium term support to Council capital projects. The valuation of all council assets (excluding Housing) for capital accounting purposes is £19m

8. SUMMARY AND CONCLUSIONS

- 8.1 The Council has now put many of the building blocks in place to manage and monitor its capital programme effectively. The updated action plan demonstrates a good record of delivery against the actions that the Council set for itself last year. This builds on achievement of key tasks already documented in the previous strategy.
- 8.2 The Council recognises that it relies heavily on other partners to deliver meaningful capital projects. It has a good record of working in partnership with other organisations, which it intends to continue and expand as a means of implementing new Council objectives.
- 8.3 With limited resources, it is essential that these are used efficiently and effectively and provide what the residents of South Derbyshire want. The Council has already begun to process of consulting with local people, through area committees. They have been asked for their views before setting the revenue budget for 2002/3. The Council aims to build on this by seeking more detailed views from them about the Council capital spending priorities.
- 8.4 Progress on implementing the new Action Plan set out in Annex F will be reported to the Council during the year and as with this year a final report on progress against the Action plan will be included in next year's capital strategy document.

Capital Strategy 2002-3

The Council's Vision for the future

'to promote and enhance the social, economic and environmental wellbeing of the community through the provision of cost effective, customer focused services'

Guiding Principles

The Council has established a number of guiding principles to govern the way it operates. These are set out in italics below together with an explanation of how the Capital Strategy sets out to achieve these guiding principles, where relevant.

- *making decisions openly and with integrity*
- *being accountable to the people of South Derbyshire for our decisions*
- *involving the community in choices about services and local priorities*

Essentially, these principles are about the way we interact with the people that we serve. In terms of the Capital Strategy:-

- We are consulting the people of South Derbyshire on capital spending priorities via the area committees
- We have consulted local organisations and partners on previous versions of the strategy and will do this in future on a bi-annual basis to avoid consultation overload
- *being open and responsive to change*
- *treating people fairly and promoting equality of opportunity in employment and service provision*
- *providing reliable and responsive services to our customers*
- The strategy looks at how we see the future development of South Derbyshire and focuses on regenerating the former coalfield area by enhancing leisure and tourism facilities as well as improving the general quality of housing in the district
- The strategy also addresses new & emerging priority areas including crime & disorder and e-government.
- *working with partners in the public, private and voluntary sectors to achieve more than we can on our own*
- The strategy recognises that there is little the Council can do on its own and highlights a number of areas where the Council is working closely in partnership to achieve its capital spending goals.
- *ensuring that the actions we take are sustainable in the long term*
- The strategy ensures that full account is taken of the ongoing revenue costs associated with capital investment
- *valuing employees and the essential role they play in service provision*
- Again opportunities have been provided for a range of employees to participate in the production of this strategy.

Capital Strategy 2002-3

Key Council Aims

- 1** *to strengthen and develop the local economy through support for business development and inward investment.*

The Capital Strategy shows how the Council is working with partners using SRB funds to create an urban park (Swadlincote Woodlands) to regenerate a former coalfield site. *(Key Capital Focus 2)*

- 2** *to safeguard and enhance the natural and built environment*

The Capital Strategy emphasises the need to direct Capital Resources where available towards Crime & Disorder initiatives *(Key Capital Focus 4)*

- 3** *to address the needs of South Derbyshire residents for good quality homes, of a variety of tenures, located in well planned and safe environments*

Housing takes a significant share of all capital investment to improve both the public and private housing stock. *(Key Capital Focus 1)*

- 4** *to promote the health and welfare of all sections of the community, including access to leisure and cultural activities*

With a rising population, demand for leisure and cultural provision is also increasing, this is recognised within the capital strategy. *(Key Capital Focus 3)*

- 5** *to secure continuous improvements in the quality and efficiency of services provided by the Council*

E-Government is about changing working practices to enable more efficient working and is a key part of the Capital Strategy. *(Key Capital Focus 5)*

- 6** *to manage resources efficiently and effectively*

Considerable focus has been given to improve management and monitoring of the capital programme.

- 7** *to listen to, represent and provide leadership to the people of South Derbyshire in local, regional and national arenas*

Much effort has been made to seek the view of local people and partners to ensure that the Capital Strategies aims reflect their aims and aspirations

- 8** *to support the development of the National Forest and its enjoyment by residents and visitors*

The future development of the District as a tourist destination is linked closely to the National Forest. *(Key Capital Focus 2 & 3)*

CAPITAL STRATEGY 2002/3

PROGRESS AGAINST 2001/2 ACTION PLAN

Task	Target Date	Responsible Officer	Action Taken
1	September 2001	CF0	Some consultation undertaken with partners through Business Ratepayers consultation.
2	December 2001	CF0/ CIA/ Monitoring Officer	Financial Regulations reviewed and updated. These were based on best practice as identified by C.I.P.F.A. and adjusted for local circumstances.
3	October 2001	Policy & Best Value Manager	Deadline for production of procurement strategy has been revised to September 2002.
4	March 2002	CF0/ IT Manager	New partnerships created and generated total funding of £3.75m – please see paragraph 7.7.
5	March 2002	CMT/ Policy & Best Value Manager	Capital Strategy aims and objectives have been reviewed against corporate plan, which is now in place. Please see Annex A.
6	January 2002	CF0/ Policy & Best Value Manager	Area meetings are now being used more extensive for public consultation on spending proposals. This will continue with the public being consulted at an earlier stage when they have a genuine chance to influence capital spending decisions
7	January 2002	CF0/ Corporate Property Manager	This has begun to be addressed as part of the Best Value Review of Asset Management that is nearing completion. This is covered in more detail in the Asset Management Plan.

CAPITAL STRATEGY 2002/3

8.	Develop performance measures that focus on the outputs produced by capital schemes rather than the core process of monitoring the implementation of the schemes (<i>paragraph 6.4</i>)	December 2001	Policy & Best Value Manager/CPWG	All Divisional Managers responsible for Capital Projects have produced a summary of intended outcomes and outputs that their project is expected to achieve.
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Key

CFO Chief Finance Officer
 CMT Corporate Management Team
 CPWG Capital Programme Working Group
 CIA Chief Internal Auditor

CAPITAL STRATEGY 2002-3

PRIORITISING CAPITAL SPENDING: ASSESSMENT CRITERIA**EXTERNAL FINANCE (20% Weighting)**

1. *Has money been set aside to provide the capital provision for the Council element of the scheme?*

3	Resources set aside within Capital Programme
2	Committee approval with capital resources identified for scheme
1	Committee approval with no specific resources identified
0	No approval/resources identified

2. *How secure is the external finance.*

3	Bd accepted – all finance secure or Not reliant on external finance
2	Major finance – bid accepted and secure
1	Bid submitted for finance
0	No bids made

3. *What conditions apply to the external finance?*

3	No conditions made – freely available
2	Few conditions made
1	Conditions made but steps in place to achieve them
0	Many conditions affecting the implementation of the scheme

SUSTAINABILITY (Weighting 30%)

4. *How have the capital costs been assessed?*

3	Estimates over the last 12 months with professional input
2	Estimates produced over 12 months ago but uprated for inflation
1	Some attempt to estimate costs based on similar schemes
0	No detailed estimated

5. *What action could be taken if the final capital costs exceeded the budget?*

3	Potential to reduce the scheme without a major impact
2	Reduction in scheme will have a discernible impact
1	Reduction in scheme will have significant impact on key objectives
0	No potential to reduce the scheme

6. *Would other partners increase their contributions if capital costs rose?*

3	Potential for increasing contributions – already explored
2	Potential for increasing contributions – to be explored
1	Some other funding opportunities available
0	No potential for increasing contributions

7. *What assumptions have been made in assessing running costs?*

3	Detailed assessment based on experience of similar projects
2	Indication of costs of similar projects elsewhere
1	Some attempt to look at experience elsewhere
0	Lack of detail and little basis on previous projects

CAPITAL STRATEGY 2002-3

8. **Where running costs are to be covered from existing budgets**
- What will the impact of making reduction elsewhere be?
 - How will reductions be made in time to implement new scheme?

3	Impact on existing budgets set out clearly and agreed with members
2	Some detail of initial impact and proposals for implementation
1	Initial ideas/assessment
0	No assessment

9. **To what extent do running costs require an additional growth bid to be approved? ?**

3	Accommodated within existing budgets
2	Growth bid made and approved within existing provision
1	Growth bid submitted and awaiting approval
0	No bid made

10. **Where income is anticipated:-**

- On what basis has income been estimated?
- What track record is there to justify anticipated levels of income?
- What is the maximum fluctuation in income and why?
- How will anticipated spending adjust to increases or decreases in income?

3	Income estimates based on survey. Costs fluctuate with income
2	Income estimates based on survey but costs do not change
1	Some attempt made to assess income and show how costs will change
0	Little detailed estimates. Costs will not change in line with income

COUNCIL AIMS & OBJECTIVES (Weighting 30%)

11. **What are the main aims and objectives, which the project will contribute towards?**

3	Essential contribution to agreed Council aim/objective
2	Key contribution to agreed Council aim/objective or agreed strategy
1	Contribution to Council aim/objective or outline strategy
0	Minor contribution

12. **If a strategy is mentioned, when was the strategy formally adopted?**

NATIONAL PRIORITIES (Weighting 10%)

13. **What are the main national and regional priorities which the project will contribute towards?**

3	Essential contribution to agreed National aim/objective
2	Key contribution to agreed National aim/objective or agreed strategy
1	Contribution to National aim/objective or outline strategy
0	Minor contribution

14. **If a priority is mentioned, when was the strategy formally adopted?**

SERVICE PRIORITIES (Weighting 10%)

15. **What will be the impact of failing to implement the project on:-**
- Agreed Service Plan priorities

3	Essential contribution to agreed Service aim/objective/key best value recommend.
2	Key contribution to agreed Service aim/objective or agreed strategy/recommended within best value review
1	Contribution to Service aim/objective or outline strategy
0	Minor contribution

SOUTH DERBYSHIRE PARTNERSHIPS

This annex identifies some key partners and partnerships that the Council works with to achieve its capital spending goals set out in paragraph 2.1. Although the annex identifies the capital goals that the partnerships best serve, there is clearly a considerable degree of cross over between the work of the partnerships.

GENERAL

- **Local Strategic Partnership** – a partnership of Derbyshire Districts and the County aimed at forging closer links to improve services and investment generally for the people of Derbyshire.

HOUSING

- **TACT Tenants Advisory and Consultation Team** – to involve tenants in all aspects of housing management and considering the strategic direction of Housing Services and capital investment within them.
- **Housing Strategy & Planning Group** - also multi-agency
- **Walbrook Housing Association** – partnership with local Housing Association to deliver private sector improvement grants programme.
- **Energy Efficiency Partnerships** (e.g. East Midlands Energy Efficiency Partnership)
- **Derbyshire Dales and South Derbyshire Primary Care Trust** – close working to deliver Health Improvement Plan and influence their capital spending decisions to the benefit of South Derbyshire residents.

REGENERATION

- **Made in Swadlincote Partnership** (a public, private and voluntary sector partnership focused on economic regeneration and the delivery of the Swadlincote Woodlands Regeneration Scheme).
- **Sharpes Heritage and Arts Trust** – a scheme that focuses on the cultural heritage of South Derbyshire, and regenerate a former pottery works within Swadlincote. Again this involves a range of private and public sectors partners.
- **Leicestershire and South Derbyshire Coalfields Partnership** (a local authority partnership)
- **Quality Bus Partnership** (with Derbyshire County Council and bus operators)

LEISURE & TOURISM

- **Derbyshire Cultural Consortium** – county-wide partnership of local authorities preparing a county wide cultural strategy with the aim of providing more focused arts provision across Derbyshire.
- **Derbyshire and Peak Park Sport and Recreation Forum** (a forum for local authorities and the voluntary sports sector)

CRIME & DISORDER

- **Crime & Disorder Partnership** (set up to develop and implement the Crime and Disorder Reduction Strategy)

E-GOVERNMENT

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- **Derbyshire Revenues & Benefits Consortium** – generating £1.75m of invest to save funding across five local authority partners for enhanced e-government friendly administration of revenues and benefits.
- **IEG in Derbyshire forum** – recently awarded £2m of government funding to progress a range of e-government projects to join up all partner Councils across Derbyshire.

PERFORMANCE INDICATORS

	<u>2001/2</u>	<u>2000/1</u>
Implementation of Capital Programme		
<i>Spending Compared to Capital Programme</i>		
Housing Schemes – excluding grants	85%	87%
Housing Grants	99%	76%
General Fund Schemes	95%	101%
Generating Resources for Capital Spending		
<i>Usable Resources Generated (£'000)</i>		
Disposals – Sale of Council Houses	580	341
Disposals – Land Sales	2,769	0
Disposals – Other	11	17
<i>Total Resources Generated as a percentage of credit approval</i>		
Disposals – Sale of Council Houses	70%	20%
Disposals – Land Sales	335%	0%
Disposals – Other	1%	1%
Working in Partnership		
Total Partnership Funding Generated (£'000)	580	Est 50
Partnership Funding as a percentage of credit approval	64%	3%
Lottery Grants per head of population	£144.30	
Capital Strategy Assessment	Good	N/a

CAPITAL STRATEGY 2002/3

ACTION PLAN 2002/3

Task	Target Date	Responsible Officer
1	September 2002	Policy & Best Value Manager
2	July 2003	CFO/ IT Manager
3	March 2003	CFO/ Policy & Best Value Manager
4	September 2002	CFO
5	January 2003	CFO/ Corporate Property Manager
6	July 2002	Policy & Best Value Manager/ CPWG

Key

CFO	Chief Finance Officer
CMT	Corporate Management Team
CPWG	Capital Programme Working Group