

COPELAND BOROUGH COUNCIL – CAPITAL STRATEGY 2005

1 THE AIMS OF THE CAPITAL STRATEGY

The Capital Strategy sets out the way in which the Council works with the community, voluntary sector and partners to deliver the council's objectives.

The Corporate Property Officer and the Asset Management Group have prepared the Strategy. This group comprises officers from Finance and Business Development, Regeneration, Leisure Amenity and Environmental, Policy and Performance, Executive Assets Portfolio holder, with contributions from Corporate Team.

Consultation has taken place with stakeholders, Overview and Scrutiny Committee (Performance and Resources). Approval has been obtained from Corporate Team, Executive and Full Council.

The Capital Strategy contributes to the delivery of the Council's Best Value Performance Plan and the 2020 Plan, which supports the draft Community Strategy.

2 STRATEGIES AND OBJECTIVES

The key objectives are contained in the 2020 Plan. This is being developed with our partners Cumbria County Council and Allerdale Borough Council into the Community Strategy through the local Strategic Partnership within the 2020 Plan.

Within the 2020 Plan The Council's Mission Statement is:

“Through partnership and teamwork, we will develop new job opportunities, ensure everyone has access to value for money services and achieve the best possible quality of life for the people of Copeland”.

The key objectives are:

- Improving Job Opportunities
- Health and Community Safety
- An Accountable, Efficient and Effective Council
- Improving and Protecting The Environment
- Making Copeland A Better Place to Live and Work

The Council's contribution to delivering these priorities is detailed in its own Corporate Plan 2005/6. The Corporate Plan links closely to the Best value Performance Plan which shows how the corporate objectives are to be achieved through the delivery of Council services and how best value is achieved through these services.

The Capital Strategy supports these objectives through:

- Consolidating the strategic capital priorities within the Corporate Service Plan and Service Unit Plans in a crosscutting manner to direct the contribution of the Council's capital resources.
- Facilitating prioritisation of the ranking of bids for capital resources.
- Establishing and monitoring the Council Capital programme to ensure delivery, directing project managers, scrutinising project plans

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- Ensuring that the Council's Operational Buildings provide the environment necessary to maximise delivery of the objectives.
- Ensuring the Council retains an appropriate level of assets to support Council business.
- Generate a flow of Capital receipts from final disposal of surplus assets through continual review, appraisal of market conditions and opportunities.
- Supporting the implementation of specific action plans to deliver key objectives which ensuring most effective use of capital and where possible enhanced value

3 MAIN SERVICE PRIORITIES FOR 2005/6

The schedule below provides an overview of costs for each expenditure head and total spend, plus amount of grants and receipts, fees and charges etc.

GENERAL FUND REVENUE BUDGET BUSINESS UNIT	2005/6 APPROVED BUDGET £000	NET BUDGET
Leisure & Tourism		3,598
Refuse Collection & Street Cleansing		2,208
Development and Environment		1,211
Economic Development		806
Benefits		369
Miscellaneous		1,571
Housing General Fund		463
Central Contingency		182
Movement of reserve		-2,318
Revenue Funding of Capital		1,257
TOTAL REVENUE EXPENDITURE (LEVY)		9,347

Funded by:	
Reserve Support Grant	3,892
National Non-Domestic Rates	2,005
Deficit on 05/06 Collection fund	47
Tax Payers	3,403

4 CAPITAL PROGRAMME

The reader is referred to Appendix A that sets out the details of projects within the programme and demonstrates individual project funding.

The overall programme for 2002/03 TO 2005/06 is summarised:

£K	2003/4	2004/5	2005/6	2006/7	TOTALS
CBC	1,504	461	2,237	1,290	8942
EXTERNAL	2,409	83	3,755	1,776	8023
TOTAL	3,913	544	5,992	3,066	13515

The programme has reduced through the transfer of the Housing Stock, this has also had the effect of eliminating the Capital receipts from Right to Buy Council House Sales.

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A surplus land disposal strategy, with a SMART target of £300,000 per year of new receipts, has been introduced through the Asset Management Officer Group to bridge the gap.

A summary of the funding of capital schemes is shown below:

Expenditure:	2004/5 Illustrative £K	2005/6 Illustrative £K	2005/6 Outturn £K	2006/7 Revised £K
General Fund	544	500	2,731	1,090
HRA	2,370	2,426		0
Housing GF	1,050	1,070	1,186	1,976
TOTAL	3,964	3996	3,917	3,066
Funded By:				
Capital Receipts	360	360	405	1,140
HRA Major Rep Allowance	2,118	2,145		0
Disabled Facilities Grant	125	130	93	157
Loan	952	996	809	0
Revenue Contributions	324	285	525	150
Capital Projects Fund	-	-	-	-
Grants & donations	85	80	2,085	1,619
Movement in creditors				
TOTAL	3964	3996	3,917	3,066

5 CAPITAL STRATEGY PRIORITIES FOR THE 2003 to 2006

The original chart setting out the Council Comprehensive Performance Assessment (CPA) Action Plan and the Council's Strategic Risk register to obtain a workable and appropriate number of future capital schemes is reproduced below:

DESCRIPTION	Status	LINK TO CPA IMPROVEMENT PLAN	LINK TO RISK REGISTER	LINK TO SERVICE PLANS
Work with the Partner Regeneration agencies to ensure maximum benefit for Copeland. Integrating investment and development strategies to achieve best value	ongoing	✓	✓	✓
Best Value Review of Economic Development	completed	✓	✓	✓
Transport and Communications Infrastructure	ongoing		✓	✓
Beacon project	started		✓	✓
Risk Management and Project Management	ongoing	✓	✓	✓
Develop West Cumbria Partnership	ongoing	✓	✓	
B V Waste Management Action Plan implementation	completed	✓	✓	✓
Pow beck corridor	ongoing	✓		
Neighbourhood Renewal	ongoing		✓	✓
Council influence in Health Issues	ongoing	✓	✓	✓
Nuclear Waste Management Review	ongoing		✓	✓
Leisure and Culture Best Value Review Implementation	completed	✓	✓	✓
Decent Homes 2010	transferred	✓	✓	✓

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Manage Implications of Housing Stock transfer	completed		✓	✓
Local Government Reorganisation	recommended		✓	
Improve Performance Management	ongoing	✓		✓
IEG	Project completed	✓	✓	✓
Fundamental Service Reviews	completed	✓		
Benefits and Revenues Change Programme	ongoing	✓		✓
Mainstreaming Crime and Disorder	ongoing	✓		
Training and Skills for the Change Agenda	ongoing	✓	✓	✓
Improve health and Safety Culture	ongoing		✓	✓
New Council offices	completed		✓	✓

6 Managing Change

The Council is proceeding through a period of substantial change with modernising of local government, potential, with the consequence of restructuring, the unitary authority process, and CPA.

7 Best Value

The Corporate Plan is reviewed and rewritten annually to include the information contained in the Best Value Performance Plan. These corporate objectives are used as the basis for establishing priorities and performance management.

Best Value Service Reviews are organised on a thematic basis and the outcomes recommend capital needs for the Capital Strategy to address.

The Council has, following government guidance, established a procurement strategy that operates on a Council wide basis. The principles of Egan's Rethinking Construction have been applied to maintenance of Public Buildings, and the PFI is also an example of joint working.

8. Partnership Working

The Council's main thrust in partnership working is through the West Cumbria Strategic Forum, Local Strategic Partnership (LSP) and a range of specific delivery partnerships, however there is involvement with others; principally through utilising it's own capital and assets as contributions to lever in external funding.

A number of initiatives are being pursued to enhance levels of capital investment in the Borough. Examples are given in the AMP.

9. Links to Other Relevant Strategies and Plans

The Capital Strategy is cross cutting. It impacts on every Service Plan and Strategy of the Council. The Corporate Planning framework provides a mechanism for the prioritisation of investment, with its close links to the Housing Strategy, Recycling Strategy, Leisure and Culture Strategy, Asset Management Plan, and the Regeneration Strategy.

Each Service Plan for Business Units considers capital, revenue and property asset requirements; developments are in place for monitoring by the Asset Management Group.

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10 Financing Considerations

The Council determines capital spending priorities. Capital investment is a fundamental contribution to enable the Council to achieve its longer-term objectives.

The Council's four year capital and revenue programmes are aimed at being deliverable based on anticipated funds.

Allocations available through the single capital pot are fully utilised.

The implications of the new prudential framework on borrowing may be used where appropriate. The Council will only borrow what it can afford to repay. It may include some borrowing if savings would result or income be generated, provided these can be soundly demonstrated.

Opportunities for external funding are exploited wherever possible and funding has been secured for significant projects delivered by the Council e.g. New Council centre £8.12m PFI Credits, Cleator Moor Co-op an anticipated £1.2m and the Beacon £1.9m. In addition the Council invests resources in securing large scale programme commitment for regeneration that draws investments into other partnership activities. One example of this is the Council's success in ensure that the Nuclear decommissioning Authority had statutory responsibilities in relation to regeneration in Copeland. As well as capital investment in the NDA headquarters taking place in Copeland. The organisation has committed close to £40m this year alone in investments supporting local economic wellbeing

A further example of indirect activity is the Council's part in the West Cumbria development Fund Which draws in investment from the private sector to invest. This has facilitated the development of the Westlakes Science and Technology Park owned by Westlakes Properties, itself wholly owned by the West Cumbria Development Fund. This effective use of Council funding has generated a major partnership asset managed for the benefit of regeneration of the area. (should we find figures to illustrate this ?)

This approach is consistent with our strategy of using our own capital to lever as much external private and public sector capital as possible to achieve best value. This leverage criteria will continue to be a key element of our strategy.

Projects contributing to more than one objective will receive a higher priority ranking. Projects that demonstrate an improvement in service delivery are assessed against cost and will receive support where viable.

Financing mechanisms are under review for private sector renewal grant funding.

Implications of Housing Capital receipts are under consideration pending Housing Stock Transfer ballot.

Funding options for Capital projects are pursued as a first priority when appraising the viability of project. As previously indicated PFI, EEC, NWDA Lottery and other sources are considered and are successfully enabling the capital programme.

11 Bidding for capital resources

The Council's annual budget cycle starts around July each financial year to review and consider prioritisation within both its revenue budget and capital programme, due to the finite level of resources.

Service units now use Project management techniques starting with a Project Initiation Document (PID) (to confirm quality control) when submitting bids related to Council strategies, their service plans and Best Value reviews.

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These submissions highlight options available, consider risks, exit strategies, include resource estimates and also require a full assessment of the capital cost, and running costs for the life of the project, together with income profile where relevant.

A formal system of project appraisal to score and assess capital project applications against set criteria is now used to assess schemes for inclusion in the capital programme.

As part of the appraisal, a ranking score is accorded to each of the bids by the Asset Management Officer Group and reported to the Resources Steering group. The scoring system is based on:

- Linkage to the Councils key corporate objectives
- Need to comply with Statutory obligations, contractual and Legal commitments
- Extent and availability of internal/external funding/partnership contributions and involvement. .

12. Performance measurement and monitoring

The Council has established a strategy for a rolling Capital (and HIP) Programme reviewed every four years. These are monitored and reviewed by the Corporate Property officer and Finance Accountant on a monthly basis with progress/scheme cost updates provided by the project managers.

Any additions, omissions, changes in funding or other adjustments to the programme including action to be taken are made through reports to Executive (and full Council), generally on an exception basis.

Where difficulties occur there is provision for the Overview and Scrutiny Committee (Performance and Resources) to examine and report back, thus enabling review of the process.

The PID includes for project review after completion and reporting back on conclusions.

Performance Measurement and Innovation

The Council's corporate planning process incorporates results and lessons from:

- Comprehensive Performance Assessment
- Best Value Reviews
- Peer Challenges
- Knowledge gained from Partners and other service providers to identify possible capital projects.

In addition use of local performance indicators, together with the formal Best Value Performance Indicators, allow the Council to identify service performance issues. This information is used to prioritise services to be studied in detail in order to understand the causes of the issues.

Feasibility studies are used to develop detailed solution proposals and benefit cases to describe potential capital projects.

Capital Projects are managed via Project Management discipline. This includes the setting of SMART targets and outcomes up-front using Project Initiation Documents, which are reviewed and approved by senior Management, and senior Members.

This ensures ownership for the projects and allows the progress and success of capital investment to be measured and tracked. Regular updates and monitoring of the performance of capital projects is used to maintain focus and ensure that the potential benefits of the capital investment are realised.

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The PIDs and project plans require managers to highlight risk assessment, options and exit strategies and progress on projects is monitored by SMT during performance monitoring.

The programme of major projects is managed corporately to ensure that the programme as a whole is resourced and the activities are adding value. Further details of the Council's corporate approach and plan development & implementation are provided in the Asset Management Plan.

Project Teams are established on a cross cutting basis to ensure stakeholder involvement and influence throughout the duration of the project. The PID and Project Plans pick up the contribution of the project to the Council objectives and the monitoring process highlights progress towards successfully achieving them.

Service units through the regular Performance Monitoring reports are required to confirm achievements against Performance Indicators with reporting on remedial action where problem arise. There is an expectation for a year on year improvements to be made.

These reports are circulation throughout the Council so those stakeholders are aware of progress.

13 Cross Cutting Activities

Expenditure proposals are considered and approved on a corporate basis to maximise the effect of Capital expenditure.

Some examples of crosscutting working are given in sections 5 & 11.

Copeland Direct: the whole thrust of this initiative is to provide better customer services, this splits delivery of services between 'front' and 'back' of office affecting staff inn service departments. In order for it to succeed both consultation and co-operation has been needed across all Council departments.

South Whitehaven Partnership and Pow Beck Corridor: The thrust of these initiatives is to improve the infrastructure, to generate tourism, regeneration, making the area a better place to live: it involves both Contracts & Projects and Economic Development, and a number of external partners, and e-government where a project for a joint IT unit with the adjacent local authority in streamlining the process, promising economies and providing delivery of new structures and systems.

14 Consultation

The Council is keen to obtain views and feedback from its customers and uses various means to obtain this:

There is ongoing and continuing consultation through the LSP on the Community Plan

Citizens Panels have been established to put forward ideas and options and obtain views. The Council also involves Neighbourhood Forums. The quarterly magazine 'Copeland Matters' is used to inform residents.

Postal surveys have been undertaken; last one was January 2003 in connection with Copeland Direct.

There has been extensive consultation with Council tenants in connection with the Housing Stock Transfer to ensure they are fully aware of the options available to them.

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Please refer to Appendix A Capital programme, Appendix B New Initiatives, Appendix C Management Changes

For information on other Council Strategies, Policies and Plans please refer to the Council website: www.copelandbc.gov.uk
