

<u>CAPITAL STRATEGY 2003</u>		
1.0	<u>The Council's Aims</u>	
	A Community Strategy for Eastbourne has been developed over the past year by the Local Strategic Partnership (LSP). The LSP comprises Eastbourne Borough Council, East Sussex County Council, Eastbourne Downs Primary Care Trust, Eastbourne Chamber of Commerce, Sussex Police, East Sussex Learning Partnership, Eastbourne Environmental Partnership, Eastbourne Housing Partnership, EAVS, Eastbourne Reborn. The Community Strategy is now being ratified by all partner organisations. It contains the following vision:	
	“The Partnership Vision is of a successful Eastbourne, where people want to live, work and visit, with every resident enjoying a high quality of life and environment both now and in the future”.	
	The Community Strategy identifies six broad aims and an action plan for delivering each. The six aims are:	
	· Inclusive Community	
	· Environment	
	· Housing	
	· Learning and skills	
	· Regeneration and economy	
	· Crime and disorder	
	Eastbourne Borough Council is working to revise its corporate plan so that it is consistent with the new Community Strategy. The proposed corporate plan priorities for 2003-2006 are:	

	1. Creating jobs.
	2. Social inclusion and crime prevention.
	3. Reducing waste in the environment.
	4. Improving core services.
	5. Achieving decent and affordable homes.
	These priorities contribute towards the Community Strategy. They also reflect customer research, government priorities and existing commitments. For example, citizens surveys carried out over the past four years consistently identify community safety and jobs as the areas of greatest concern, plus a desire to improve recycling.
	An action plan for delivering these priorities is at appendix A.

2.0	<u>Capital objectives, priorities and spending plans</u>	
	In order to deliver these priority aims, and continue to provide existing services the following capital priorities have been agreed:	
	1.	Working towards compliance with Statutory Obligations e.g. Health & Safety, Disability, Discrimination Act for strategically important buildings within statutory timeframes.
	2.	Underwrite of the fundraising target for the Cultural Hub.

	3.	Housing Revenue Account investment to work towards the Decent Homes target.
	4.	Backlog maintenance for assets which it is strategically important for the Council to own and for which alternative funding options are not available.
	5.	Invest to save schemes which provide ongoing revenue savings.
	6.	Match funding for a target of 100 new affordable housing developments each year to contribute towards the 400 plus additional units required each year up to 2006.
	7.	Provide 40% contribution to fund a target of 40 Disabled Facilities Grants each year.
	8.	Match funding for other capital projects which take forward Council priorities and strategies and where a high proportion of funding is available externally.
	9.	Funding for other projects which take forward Council priorities and strategies for which no alternative sources of funding are available.
	10.	Funding for private sector housing renewal assistance for up to 130 properties to improve unfit homes, make minor repairs to assist the elderly to remain in their own homes, to improve energy efficiency, to provide home security and safety measures and to assist leaseholders to upgrade fire precautions in HMOs.

	<p>Members have re-affirmed these priorities which were originally agreed in 2002, with the addition of Item 5: Invest to Save Schemes. This addition reflects the results of the development of a medium term revenue forecast and strategy which indicates the need for ongoing revenue savings year on year.</p>
	<p>These priorities and the specific schemes included in each area of the programme reflect the results of consultation, with the public and key partners, service strategies e.g. HIP, Cultural Strategy and best value reviews. For example programmes of investment in public conveniences, the crematorium, parks and leisure facilities are designed to implement best value improvement plans. A programme of works to improve office accommodation reflects customer feedback on existing reception arrangements and the views of staff. The design of the Cultural Centre is being informed by public consultation about the range of facilities required.</p>

3.0	<u>Resources</u>	
	The Council has agreed the following target capital programmes to implement the strategy over this year and the next five years:	

		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
		£000	£000	£000	£000	£000	£000
1	Statutory Obligations	373	100	100	100	100	100
2	Cultural Centre	960	200	200			
3	Decent homes	4,160	2,948	2,948	2,948	2,948	2,948
4	Backlog maintenance	1,515	335	400	400	300	300
5	Invest to save	1,615	200				
6	Affordable housing	2,628	2,204	1,502	1,502	1,502	1,502
7	Disabled facilities	400	400	400	400	400	400
8	Match funding	255	30	30	230	230	230

9	Other	1,082	37	37	37	37	37
10	Private sector Housing	407	407	407	407	407	407
	Total	13,395	6,911	6,024	6,024	5,924	5,924

		The resources required to deliver this programme are as follows:						
			2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
			£000	£000	£000	£000	£000	£000
	Capital Receipts		6,174	2,806	2,119	2,119	2,019	2,019
	Government Grants etc.		4,931	4,105	3,905	3,905	3,905	3,905
	Other		2,290					
			13,395	6,911	6,024	6,024	5,924	5,924
		<u>The Council has embarked on a major programme of asset disposals including land for development and properties which are surplus to requirements. The programme has identified the following levels of forecast capital receipts in future years.</u>						
			2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
			£000	£000	£000	£000	£000	£000
			6,174	5,575	600	1,800	500	500

	It is expected that capital receipts for 2007/08 onwards will be at a low level arising mainly from Right to Buy. As a consequence there is a shortfall in expected resources to fund the programme for 2007/08 of £588,000 and the programme for 2008/09 of £2,107,000. If expenditure on the core programmes, the largest of which is affordable housing, is to continue for 2007/08 and future years additional sources of funding over and above the Council's own resources will need to be secured.	
	Examples of steps currently being taken to maximise additional investment resources include:	
	<ul style="list-style-type: none"> Disposal of "ad hoc" areas of housing land and joint working with Housing Association partners to support programmes of packaged "infill" development. 	
	<ul style="list-style-type: none"> Improved Section 106 performance in terms of both funding and sites and more robust planning policy developed in relation to affordable housing. 	
	<ul style="list-style-type: none"> Maximising joint funding opportunities wherever possible, including Health, Community Safety, Social Services and cross cutting regeneration initiatives such as Sure Start. 	
	The targets for capital receipts from asset disposals are challenging for the Council. A multi-disciplinary asset disposals working group has been established to co-ordinate disposals work. However, it is necessary to withhold release of works within the target programme until receipts are secured and in practice this has to date resulted in some programme slippage. Where there have been shortfalls Corporate Management Team have agreed reprioritisation of the programme to match available resources.	
	In view of the significant revenue budget pressures which the Council faces in future years ("floor" level grant increases are expected in view of the gap between current spending and the government's assessed Formula Spending Share) there are no plans to incur capital expenditure over and above government funded levels under the proposed new capital finance regime.	
4.	<u>Other sources of funding for priorities</u>	

	<p>In recognition of the limited resources available within the Council strategies for securing external investment through outsourcing, partnership and private finance arrangements have been developed. In line with the agreed capital priorities, the Council's own resources are targeted at areas where they will lever in external resources towards meeting corporate plan goals and where external investment is not feasible. Examples of the use of Partnership and PFI arrangements are:</p>	
	<ul style="list-style-type: none"> The new Cultural Centre is to be funded from over £6 million of contributions from SEEDA, the Arts Council and the Heritage Lottery Fund in addition to EBC capital receipts. 	
	<ul style="list-style-type: none"> Following completion of an options appraisal for achieving the Decent Homes target in relation to Council owned homes the Council has recognised the need for external resources and is evaluating the benefits of an Arms Length Management Organisation. 	
	<ul style="list-style-type: none"> Backlog maintenance to the Council's swimming pools is being addressed through externalisation of management on a long term lease which provides for significant capital investment (the terms are commercially confidential at this stage). Similar approaches to dealing with backlog maintenance for other facilities are being explored. 	
	<ul style="list-style-type: none"> Backlog maintenance on office accommodation is being addressed through an office accommodation strategy which reduces overall office accommodation through space rationalisation and disposals, with savings reinvested in remaining buildings. 	
	<ul style="list-style-type: none"> Affordable housing targets are pursued in conjunction with Housing Association partners and the Housing Corporation, and are supported by private investment. £5m of partnership funding, combining Approved Development Programme and private investment will support this year's programme. We will continue to expect our track record of delivery to attract significant resources from the new Regional Housing Board. 	
	<ul style="list-style-type: none"> We will also target joint funded enforcement and/or preventative activity, in order to minimise the need for direct capital resources wherever possible, e.g. through our involvement in PSA targets (in partnership with County Council and neighbouring Local Authorities) regarding HMOs and Older People's services; through the co-ordination of county-wide supported housing projects such as the Domestic Violence Outreach project. 	
	<ul style="list-style-type: none"> A new Private Sector Housing Renewal policy has recently been agreed by Cabinet, which includes exploring the facilitation of loans for renewal. 	

	<ul style="list-style-type: none"> The Council has worked to secure SEEDA funding for the development of a new Enterprise Hub and hatchery for start up businesses in the town. 	
	<ul style="list-style-type: none"> A partnership for redeveloping the Town Centre retail offer is being established. The Council's principal role in the scheme will be as planning authority rather than direct funder. A project board involving a wide range of stakeholders and lenders of both political groups has been established and discussions with land owners have commenced. 	
	<ul style="list-style-type: none"> £800,000 of capital investment in the Treasure Island play area has been secured and delivered through a lease to a commercial partner. This has enabled this rundown facility to be modernised. 	
	<p>Partnership working with other Councils to share facilities and ensure efficient asset utilisation is evidenced by:</p>	

	<p>· Joint working with East Sussex County Council to develop a shared customer reception/one stop shop as part of the office accommodation strategy. It is also proposed to offer reception/enquiry facilities to other public and voluntary sector organisations within the town e.g. DWP, Credit Union. This will enable the public to access a wide range of public and community services from central location and also enable efficiencies and improved opening hours from shared staff and I.T. investment.</p>	
	<p>· Emergency alarm centres for Eastbourne and Wealden District Council, to safeguard and develop a new service at one office and take advantage of exciting new service opportunities in conjunction with East Sussex County Council Social Services and Eastbourne Downs Primary Care Trust.</p>	
	<p>· Joint working with East Sussex County Council and County-Wide Supporting People team to fund and provide “Extra Care” services in conjunction with a major sheltered block refurbishment at Gwent Court.</p>	
	<p>· Developing a supported housing project for teenage parents in conjunction with the remodelling of existing accommodation providing mental health services.</p>	

5.0	<u>Management Arrangements</u>	
5.1	Programme Development	
	Major areas of capital expenditure such as our Housing Investment Programme are themselves developed in conjunction with an appraisal of investment options and against detailed priorities and value for money criteria (see Housing Strategy, HRA Business Plan and Housing Stock Options analysis).	
	Priorities/options are developed in conjunction with residents and stakeholders through:	
	<ul style="list-style-type: none"> · - Annual consultation events; 	
	<ul style="list-style-type: none"> · Involvement in regular forum meetings (e.g. Tenants Advisory Group, Neighbourhood Forums, Voluntary Sector Forums); 	
	<ul style="list-style-type: none"> · Targeted and public consultation methods; 	
	Risk assessments are conducted in relation to individual projects and contingency plans developed to maintain targeted levels of expenditure/outputs should individual projects not proceed;	
	Procurement, organisational structures and technical solutions are regularly reviewed to ensure that sufficient capability, systems and resources are in place to deliver programmes. In relation to our own stock, “rolling” investment programmes have been developed, matching funding streams and maintaining continuity and programme delivery throughout the year.	
5.2	Effective Procurement	
	The Council has agreed a Service Procurement Strategy which requires the best method of delivering services to be considered. This includes consideration of whether services should be retained in-house, outsourced, outsourced as part of a partnership agreement or ceased. This approach is used as part of all best value reviews and has resulted in a range of procurement strategies for Council assets e.g. leisure and catering outsourcing, Lifeline joint venture.	

	The Council seeks to use contracts to secure investment in its assets over time. The current plans to transfer leisure centres to a trust are an example of this.	
5.3	Corporate allocation of resources	
	Cabinet have endorsed a corporate approach to the allocation of all capital receipts. All capital receipts are available for investment in accordance with the priorities within this strategy. Cabinet will consider the best use of available resources to achieve the Council's aims, taking account of the recommendations of Corporate Management Team.	
5.4	Revenue consequences of capital expenditure	
	Revenue costs and savings flowing from investment are identified as part of the approval process and are built into the medium term forecast for the revenue budgets.	
5.5	Monitoring programme delivery	
	A range of "best practice" systems are in place in order to ensure effective programme delivery. Examples include:	
	· Responsible officers identified for all individual projects and monthly progress reports;	
	· Profiling of all project expenditure and regular monitoring and review of profiles;	
	· Careful monitoring of committed as well as actual expenditure;	
	· Cross departmental monitoring meetings (e.g. to review planning permission progress etc.)	
	· Monthly reviews of project risk assessments and contingencies;	
	· Regular progress reports to elected members for all capital schemes and customers for HRA Capital Programme via Tenants Advisory Group;	
	· Annual report to Cabinet on outturn and outcomes for all capital schemes.	