

SUFFOLK COASTAL DISTRICT COUNCIL

“Where quality of life counts“

CAPITAL STRATEGY 2009 - 2013

**1. VISION AND CORPORATE STRATEGY**

1.1 The Council has adopted the Local Strategic Partnership's (LSP) Vision for the future of Suffolk Coastal. The Partnership brings together local authorities, other public sector agencies, local businesses, voluntary organisations and local communities. Our Vision is that, building on the best of the present, Suffolk Coastal should be a District where people:

- **Want to Live** and to Invest
- **Care for Others** and the environment

In other words "**Suffolk Coastal..... where quality of life counts**"

1.2 The Council's own Corporate Strategy 2005 - 2015 links closely with the Community Strategy prepared by the LSP and adopted as part of the Council's Policy Framework. The Corporate Strategy is built around five themes:

- Community Well-Being
- Housing
- Natural and Built Environment
- Economy
- Rural Issues

1.3 Our goal is to help to realise this vision by ensuring that the district is a place where the community continues to enjoy the highest quality of life and receive top quality efficient services from the Council. To achieve this we will focus on seven key issues without duplicating the work of our partners over the medium term:

- Increasing access to housing to meet local needs
- Improved waste management (greater recycling and reduced proportions of waste going to landfill)
- Coast & estuary management that will enable key assets to be retained
- Strengthening the economy through facilitating key investments
- Feeling Safe/ being safe from Crime
- Develop & promote Green policies and improved environmental management in the district
- Deliver well performing, efficient & accessible services to all.

1.4 The Council's Corporate Strategy includes a focus on five principal areas identified by the LSP as its priorities:

- Community Development - supporting the development of community and voluntary groups
- Young People - working with them to help meet their needs and help them remain in the district
- Access to Services - improving accessibility to services, particularly in rural areas
- Rural Economy - maintaining and enhancing the prosperity of our rural areas and promoting opportunities for people to develop the skills they need
- Healthy Lifestyles - contributing to addressing Suffolk-wide health concerns

- 1.5 Additionally, the Council works with other partners and organisations within the LSP that are focusing on issues that are also considered important by key organisations serving the Suffolk Coastal community, for example:
- Feeling safe / being safe from crime
  - Affordable housing provision
  - Estuary and coastal management
- 1.6 The Council's Corporate Strategy is delivered by its performance management framework, its Balanced Scorecard. The Scorecard links the Corporate Strategy to services and activities. At the corporate level it identifies the core aims for strategic themes and sets out a number of critical success factors, performance measures, targets and actions. The Corporate Scorecard is in turn supported by team level scorecards that focus on the day to day service development and business planning needed to deliver the Corporate Strategy.
- 1.7 The Council could not achieve its Corporate Strategy and meet its statutory obligations without fit for purpose capital assets. This Capital Strategy provides a corporate basis for deciding priorities.

## 2. PRIORITISING CAPITAL INVESTMENT

- 2.1 The deployment of fit for purpose capital assets is a major factor in achieving the Council's Strategy and priorities. Furthermore, delivering some of the LSP's key issues may also require new capital investment by the Council and/or its partners.
- 2.2 To ensure that capital investment helps meet the Council's Strategy, the Council has adopted criteria to assess priorities for investment in capital assets and to identify scope for disinvestment, ensuring that decisions continue to be soundly based. Using objective judgements as part of its Business Case Appraisal (BCA) process against the following criteria ensures that the Council continues to provide value for money and an effective use of resources. The criteria include: -
- Alignment to the Corporate Strategy
  - Condition and suitability of existing assets
  - Community, partner and stakeholder views
  - Health, safety and legal issues
  - Government's national priorities
  - Outcomes from previous reviews, e.g. Best Value
  - Financial considerations
  - Clearly defined benefits
  - Performance management
  - Risk management
  - Cross cutting issues
- 2.3 The adoption of a standard template through the BCA process:
- Ensures that all relevant factors are fully considered
  - Facilitates wider consultation leading to improved judgements about the use of capital resources
  - Achieves best practice by ensuring that the necessary information is available to fully integrate capital and revenue budget plans. This in turn ensures that coherent decision making can take place on the level of borrowing that is prudent, affordable and sustainable in line with Prudential Code.
- 2.4 Capital investment or disinvestment proposals are formulated by the corporate Asset Management Group and reviewed by Cabinet and its Corporate Scrutiny function prior to being considered by full Council on a rolling 5-year basis. All proposed capital investment is considered alongside the revenue budget implications to ensure sound decision making.

- 2.5 This programme is subject to annual review in the light of the Council's changing Corporate Strategy. The approved programme and indicative investment proposals for future years are available on the website at <http://www.suffolkcoastal.gov.uk/yourcouncil/budget/> within the budget book.

### 3. MANAGING AND MONITORING THE CAPITAL PROGRAMME

- 3.1 The Council needs to use its capital assets and resources to the best possible advantage and must manage and monitor its programme effectively, the challenge being to minimise the capital and revenue cost implications arising from asset ownership.
- 3.2 It undertakes this role through the corporate Asset Management Group led by a Strategic Director. The group remit is to:
- develop, monitor and evaluate the capital programme and asset management plan
  - prepare an overview of property aims, objectives and strategies
  - ensure that responsibility for the delivery of each project is clearly allocated
  - prepare quarterly reports for the Council's Corporate Management Team
  - measure and monitor the performance of property assets
  - ensure explicit links to all Best Value Reviews
  - identify the revenue and whole life cost implications of the capital programme
  - maximise grant income, where this supports the Council's objectives.
- 3.3 Whilst Member responsibility for both the Capital Strategy and the Capital Programme rests with Cabinet, independent review is undertaken by the Corporate Scrutiny function. Significant matters relating to the use of assets and the Capital Programme are formally reported to Members as part of the budget and final accounts processes.
- 3.4 In addition, a quarterly integrated performance monitoring report ensures that revenue and capital expenditure together with the prudential and other performance indicators is provided to Cabinet regularly throughout the year highlighting variances or planned revisions to its spending plans.
- 3.5 The Asset Management Group also undertakes post completion reviews of all projects to compare costs, benefits and other matters with those used in the initial decision process. Any significant variances are taken into account in future service development.

### 4. CAPITAL RESOURCES

- 4.1 The Council has a very low asset base, having transferred its housing stock in 1991. There is therefore limited scope for future asset disposals to generate significant capital receipts. Although the Council is currently debt-free and has capital receipts and reserves of just over £1m at 1 April 2008, the Council may need to enter into borrowing in 2008/2009.
- 4.2 The costs of financing future capital investments programmes either by direct revenue-funding, grants, leasing or by borrowing will need careful evaluation against service spending pressures, the need to keep council tax to an affordable level, grant settlements and capping.
- 4.3 Council will make an assessment on the overall prudence and affordability of the total borrowing and financing of the capital programme. The impact of any borrowing on Council Tax will be incorporated within the Medium Term Financial Strategy and be

reported within the Treasury Management Strategy and Prudential indicators set as part of the budget process. The costs of finance leases will be compared to other funding sources to ensure that leasing provides best value.

- 4.4 In financing its capital investment the Council will apply grants, receipts, earmarked reserves and any direct revenue financing, with any balance being met by external borrowing or leasing. Capital receipts will not be recognised until there is certainty that the receipt will materialise, and will not be earmarked against specific developments without specific Cabinet approval. Minimum revenue provisions for the repayment of debt will be calculated to match asset lives.
- 4.5 There are many opportunities for the Council to make bids for additional funding towards capital investment. However, these invariably require some form of matched funding using the Council's own limited available resources and often have ongoing revenue budget implications. Such bids, therefore, have to be considered carefully. They will only be made where they accord with the Capital Strategy and support delivery of the Council's wider priorities and objectives.
- 4.6 The Council is also committed to regularly reviewing its asset base to identify under-used assets and to realise the maximum value from them by such means as disposal, lease, rent or joint use in support of its Corporate Strategy.

### **5. PROCUREMENT**

- 5.1 The Council has adopted a procurement strategy as part of its Best Value activity. As part of the Council's drive for the efficient use of its resources and to provide value for money, Heads of Service must assess the implications of the following options for service delivery:
- the cessation of the service in whole or part or the creation of a public-private partnership/ trust or some other service provider
  - the market testing of all or part of the service
  - the restructuring or re-positioning of the in-house service
  - the re-negotiation of existing arrangements with current providers
  - the joint commissioning or delivery of the service.
- 5.2 The Council has a mixed economy approach to procurement and has achieved impressive success in a number of public /private and public /public partnerships. It will continue to pursue further options where there is a robust and demonstrable business case that will contribute to the achievement of its priorities and corporate goals.
- 5.3 Where the Council does itself have a need for capital investment it has in place appropriate Finance and Contract Procedure Rules within its Constitution to ensure proper public accountability.
- 5.4 The quality assessment of capital procurement must also take account of the impact on the environment, including climate change, the local economy and making sustainable use of materials energy and water.

### **6. PARTNERSHIPS AND INFLUENCE**

- 6.1 The Council recognises that its vision and many of its specific corporate objectives can only be achieved by working with others. A key driver here is the partnership working within the Suffolk Coastal LSP, which itself links to the wider Suffolk Strategic

Partnership. It is also a party to the Suffolk Local Area Agreement. The Council works with a number of partners including:

- Registered Social Landlords
- Suffolk County Council
- Suffolk Police
- Other district and borough councils
- Town and Parish Councils
- Primary Care Trusts
- DC Leisure
- Openwide
- DEFRA
- Environment Agency (EA)
- Suffolk Coastal Business Forum
- Suffolk Learning and Skills Council
- East of England Development Agency
- Suffolk Development Agency
- Environment Agency
- Local community and Environmental Groups
- Haven Gateway Partnership
- Port of Felixstowe and MCP

6.2 The Council has established a Partnership Project Board that has Cabinet Member and Corporate Management Team representation part of whose remit is to:

- (a) ensure that any partnership in which the Council is involved adds value and provides an effective contribution towards achieving the Council's objectives; and
- (b) develop review processes to measure the ongoing effectiveness of partnerships.

## 7. CONSULTATION

7.1 The Council's consultation processes are wide-ranging in terms of both the number of Consultees and the topics discussed. Feedback from consultations influences the development of the Community Strategy and specific strategies, such as this capital strategy, programmes and services.

7.2 To facilitate good external involvement in its consultation processes, the Council uses a variety of mechanisms. These include a on-going liaison groups and forums, meetings on specific topics, surveys, use of its website, and formal market research. The Council's main Consultees include:

- Citizen engagement through Suffolk Speaks
- Town and Parish Councils
- Suffolk Coastal Business Forum
- Advice agencies and welfare rights groups
- Local environmental groups
- Local voluntary sector organisations
- Registered social landlords
- Landowners
- Major employers
- Other local authorities
- Service user groups
- Suffolk Police
- Suffolk Health Agencies
- Government departments

7.3 The Council also uses its CoastLine magazine, roadshows across the district, and its website to provide information and seek the views of residents, voluntary groups and visitors alike. Public access to this is available in all local libraries and other locations in the district.

### 8. LINKS TO OTHER STRATEGIES AND PLANS

- 8.1 The Council's Corporate and Capital Strategies influence and are influenced by a number of other strategies, programmes and reviews, including:
- Community Strategy
  - Cultural Strategy
  - Housing Strategy
  - Crime and Disorder Reduction Strategy
  - Local Development Framework
  - Local Area Agreement
  - Shoreline Management Plan
  - Fuel Poverty Strategy
  - Procurement Strategy
  - EA and DEFRA targets for coastal and flood defences
  - HECA Strategy for Energy Conservation
  - Asset Management Strategy
  - Contaminated Land Identification Strategy
  - Health and Safety Strategy
  - Homelessness Strategy
  - Private Sector Housing Strategy
- 8.2 The Council regularly reviews its plans, strategies and targets to ensure consistency between them and to take account of ongoing consultation, Best Value Reviews and changes in resource forecasts.
- 8.3 The effectiveness of the Council's work, including the use of capital resources, in meeting its corporate objectives is assessed through its Annual Report. This report evidences the Council's financial and operational effectiveness against its priorities and service delivery targets.