

# MELTON BOROUGH COUNCIL



## Capital Strategy 2006/07 to 2008/09

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## MELTON BOROUGH COUNCIL

### CAPITAL STRATEGY 2006/07 TO 2008/09

#### 1.0 Introduction

#### 1.1 Background

- 1.1.1 Melton, with Borough status, is one of the seven districts in the County of Leicestershire, it is also one of the founding members of the Welland Partnership which has attained national standing in respect of its e-government and shared services agenda. Largely rural in character and with gently rolling countryside and centred on the market town of Melton Mowbray, it is one of the 50 most sparsely populated districts in England, has a population of 48,735 and an area of 48,138 hectares.
- 1.1.2 Although Melton has the smallest economy and the least number of jobs of the Leicestershire districts, it is relatively prosperous with low levels of social deprivation and unemployment. Asfordby and Bottesford with populations of 3,000 each are the largest of Melton's 70 villages with most having populations of less than 100.
- 1.1.3 Apart from the Council's stock of 1,920 houses including 4 sheltered accommodation units. The Melton Mowbray Cattle Market is probably the Council's most important asset which has had significant capital investment following Foot and Mouth. This is followed by Waterfield Leisure Pool and other operational assets such as the Nottingham Road Offices.
- 1.1.4 Melton Borough Council employs some 200 staff at its purpose built offices which it shares with East Midlands Regional Local Government Association and East Midlands Regional Assembly. A further more recent addition will be that of a registrars service in October 2006.

#### 1.2 Corporate Planning Process and Capital Strategy

- 1.2.1 The Corporate Plan guides the use of all resources, including capital, to secure the achievement of the Council's aims. An organisational structure is in place to link strategy with service and project delivery as illustrated in Appendix A attached. A revised performance management framework has been implemented (attached at Appendix B) that links corporate planning, performance management and risk management. The Corporate Plan and supporting priority action plans, are supported by the Medium Term Financial Strategy and these together drive the formation of Service Plans, Operational activity and individual performance appraisal requirements.
- 1.2.2 Particularly relevant for Melton Borough Council is that this Capital Strategy needs to be seen in the context of a transformational change agenda and where it is part of the essential infrastructure of excellent public service delivery. Investment in operational property and IT equipment and software to facilitate this change management process is a key part of our plans and the implementation of a Change Team for the Council in June 2006 has significantly facilitated this process.
- 1.2.3 This second Strategy sets out the policy context, resource background, the lessons that have been learned from previous years, and areas for improvement. It also sets out how the Strategy will be assessed and reviewed in the future so that improvement can be continuous. Importantly, it shows how the Capital Strategy will help deliver the Council's aims and the process that will be used to make sure that this is the case.

## 2.0 Policy Background

### 2.1 Melton Community Strategy

2.1.1 The Melton Community Partnership (MCP) was established in May 2002 and is made up of representatives from organisations that work in the borough of Melton (including public, private, voluntary and community groups). The MCP have developed a Melton Community Strategy that brings together the needs and hopes of local people and the organisations that work in the borough into a shared vision.

2.1.2 The vision explains where we want to be.

*We want to enhance the quality of life for everyone in the borough of Melton to achieve a sustainable, prosperous and vibrant community... a place where people want to live, work and visit.*

### 2.2 Corporate Plan and Best Value Performance Plan

2.2.1 Our Corporate Performance Plan sets out the aims and objectives of Melton Borough Council flowing from the Community Strategy including the above-shared vision for Melton, the key values that underpin how the Council conducts its business, our objectives and a statement of priorities. A statement is also included for each of the priority objectives setting out links to national and community strategy priorities, key actions, responsibilities, key partners, performance measures and a risk assessment.

### 2.3 Our Values

2.3.1 Our values are the key principles that underpin everything we do to achieve our Shared Vision. We conduct our business in ways which demonstrate:

- A Customer Care
- B Openness
- C Honesty
- D Trust
- E Respect
- F Fairness
- G Courtesy

#### **Ethos**

2.3.2 Our organisational ethos is:

*Everyone working together to make a positive difference that our customers will notice*

#### **Aims**

2.3.3 Our aims are:

*To do what we do well*

This means having an action-focussed culture with an attention to detail underpinned by professionalism.

*To do what we do efficiently, and look after our finances*

This means giving value for money and measuring and reviewing our activities to ensure that we are efficient and effective, as well as looking after our finances.

*To support those in need in our community*

This means pursuing a course to encourage social justice, inclusion and review of our policies at all times to promote equality in access and service.

## **2.4 Our Priorities**

2.4.1 We have adopted a number of objectives that we believe will make a difference to the lives of people in Melton. To help us focus our scarce resources, we have identified seven top priorities (not in order):

- Enhance the vitality and viability of Melton Mowbray town centre;
- Providing a Cleaner and Greener environment through reducing the impact of litter, graffiti, abandoned vehicles and waste on the environment and improving the maintenance and appearance of public spaces;
- Encourage and support the development of community safety initiatives throughout the borough;
- Encourage sustainable forms of transport, develop an integrated transport plan for the borough and work to improve road safety;
- Ensure a well-integrated mix of decent homes of different types and tenures to support a range of household sizes, ages and incomes, and in particular provide or facilitate an appropriate supply of good quality, affordable housing within the borough;
- Create a step change in our approach to supporting and developing young people in the borough; and
- Conducting our business in a way which is customer focussed.

2.4.2 An Action Plan has been prepared for each of these priorities and these integrate into our service planning and corporate planning processes as illustrated in Appendix B.

## **2.5 Corporate Policy Framework**

2.5.1 The Council's Policy Framework provides a framework for the implementation of desired targets, standards and outcomes. It provides a focus for responding to particular needs or issues, a platform for joined-up working, encourages innovation and provides a mechanism for accountability. Good government is increasingly seen to require effective methods of business planning: to set down how resources are to be deployed, for what purpose, and with what desired outcomes to individual staff targets in the appraisal process – so linking strategy with individual staff's performance.

2.5.2 The Capital Strategy and Asset Management Plan are important components of the Council's Policy Framework and support an overarching framework comprising the Melton Community Strategy, Corporate Performance Plan, Human Resources/Workforce Strategy and Medium Term Financial Strategy.

## **2.6 The Council's Service Planning Process**

2.6.1 The Service and Financial Planning Framework aims are:

- To help elected members determine priorities and their timing
- To forecast the changes in demand for services
- To show the likely implications of changes in legislation on spending
- To show the future costs of alternative policies
- To match demand with likely resources
- To provide a framework for programming activities by individual services

2.6.2 This is a key process to ensure that the Council works towards the Corporate Plan (and

Community Strategy) objectives. The Heads of Service agree Service Plan proposals that include development bids for their services in line with those priorities and for service developments. This may be informed by the reviews being carried out by the change team.

- 2.6.3 A key strategic team composed of lead members oversees all major projects having regular reports from lead officers on the progress that is being made with both capital projects and disposals.

### 3.0 Resource Background

- 3.1 Set out below is a summary of the Council's assets and its existing plans to use its resources to invest for the future.

- 3.2 The Council's assets as shown in the balance sheet as at 31 March 2006 are summarised below:-

	No	Value £m
<b>Operational Assets</b>		
<b>Council Dwellings</b>	1,930	95.0
<b>Other</b>		
Land and Buildings	-	9.7
Community Assets	-	0.7
Vehicles, Plant, Furniture and Equipment	-	0.4
Infrastructure Assets (See note 1 below)	-	0.0
<b>Non - Operational Assets</b>	-	-
Investment Properties		0.3
<b>Total</b>	<b>1,930</b>	<b>106.1</b>

\*1 Infrastructure assets include those such as roadways and sewers that will have little or no specific value associated with them. Any costs are written down over a specified period of time.

- 3.3 A summary of the capital programme agreed in February 2006 as amended for the period to March 2009 is given below. This programme gives an indication of the level of the Council's resources that are to be devoted to capital expenditure.

	2006/7	2007/8	2008/9
	£000s	£000s	£000s
Town Centre		220	40
Telephony			70
Decommissioning of Lake Terrace Depot	4		
Lake Terrace	1	40	
Vehicles	73	30	
Council Offices – Air cooling	30		
IT Schemes	80		25
Air Quality Modelling	2	2	
Traffic Scheme - Harby	11		
Expert System for Planning Enquiries	33		
Server Replacement	20		

Play Areas		70	
Community Facilities Grants	83	60	60
Private Sector Housing	288	335	370
Waterfield Leisure Pool	5		
Melton Hub	175		
Cemetery		30	
Nottingham Road Play Area	40		
Skate Park	3		
Recycling	16		
Flooding	2		
Melton Enterprise Centre	55		
CCTV	1		
Bus Shelters	1		
Housing Investment Programme	2,731	1,508	1,332
<b>TOTAL</b>	<b>3,654</b>	<b>2,295</b>	<b>1,897</b>

3.4 The estimated resources available for this programme are illustrated in the table below:

#### Potential Sources of Capital Funding

	Provisional 2006/07 £000	Projected		
		2007/08 £000	2008/09 £000	2009/10 £000
<b>General Expenses</b>				
Supported Borrowing – scheme specific	2	0	0	0
Unsupported Borrowing	73	0	0	0
Capital Receipts	141	2,048	117	220
Grants - The Hub	175	0	0	0
- Enterprise Centre	55	0	0	0
- DFG	81	100	100	100
- Renovation grants	61	61	0	0
- PSA	22	22	0	0
- Waste Efficiency	20	0	0	0
- PDG	33	28	0	0
Capital Fund	75	0	0	0
Corporate Priorities Reserve	118	270	270	270
Total Available Funding	856	2,529	487	590
<b>Of which:</b>				
Ringfenced to individual type of scheme		161	100	100
Not Scheme Specific		2,368	387	490

	Provisional 2006/07 £000	Projected		
		2007/08 £000	2008/09 £000	2009/10 £000
<b>Special Expenses (MM)</b>				
General Reserve	67	109	0	0

	Provisional 2006/07 £000	Projected		
		2007/08 £000	2008/09 £000	2009/10 £000
<b>Housing Revenue Account (HRA)</b>				
Supported Borrowing	300	300	300	300
Major Repairs Reserve	2,307	1,145	1,163	1,181
Capital Receipts	124	0	0	0
<b>Total</b>	<b>2,731</b>	<b>1,445</b>	<b>1,463</b>	<b>1,481</b>

3.5 As can be seen from the above tables the availability of funding for non-scheme specific resources is limited to the Corporate Priorities Reserve and capital receipts from a number of major disposals. The Corporate Priorities Reserve may be required to support non-recurring revenue schemes which meet the Council's priorities. In addition the Council's Asset Management Plan, currently being refreshed with the outcome of asset condition surveys, may require significant expenditure to be incurred on Council assets, both revenue and capital. Initiatives will arise from the work of the Change Team which will require investment from the Corporate Priorities Reserve and they will be done on a business case basis as they arise. The declining Council house sales may require a re-appraisal of the use of such receipts on General Fund Schemes.

3.6 A small level of prudential borrowing had been included to finance the programme in 2006/07. For the Registrars scheme, however, this is no longer required as the County Council are funding the cost of the work. The remainder will be funded from external grants, s106 proceeds, reserves, capital receipts or revenue funding particularly for invest to save type projects or for equipment which previously might have been leased.

#### 4.0 **Priorities**

4.1 The Council has two key areas for capital expenditure - Housing and Other Services (blocks defined by Central Government).

4.2 With respect to all capital expenditure and asset usage, the three overriding priorities have been determined as:

- realising local aspirations as expressed within the Corporate Plan and contributing towards the Council delivering its priorities as set out in the Corporate Plan
- maintaining, and where possible enhancing, the condition of the Council's existing assets so as to reduce future maintenance liabilities and to encourage their effective use
- supporting capital schemes which provide revenue savings to the Council, in particular supporting investment in Information and Communication Technology so as to support the Council's Transformational Government Agenda

#### 4.3 **Housing**

4.3.1 A key focus for the HRA business plan is the need to develop a comprehensive Asset Management Plan and maintenance programme for the stock, both to achieve the Decent Homes Standard (DHS) set by the Government and to meet the needs of tenants for warm, safe, modern and comfortable homes. The aspirations of our residents are being expressed through the establishment of local standards for stock and estate improvement in consultation with tenants.

4.3.2 A 25% sample Stock Condition Survey was undertaken by Countrywide Property Surveyors during late 2002 and reported in early 2003. The survey process included work to ensure that the outcome of the survey was both in line with the latest Government guidance able to deliver accurate information about the condition of the stock compared to the Decent Homes Standard and able to project into the future the likely costs of improving the stock to a modern standard and maintaining at that standard over the longer term.

The council must bring all properties up to the government's Decent Homes Standard (DHS). In order to meet the DHS, homes must meet four criteria:

- A) not be unfit for human habitation
- B) in a reasonable state of repair
- C) have reasonably modern facilities and services
- D) and enjoy a reasonable degree of thermal comfort.

4.3.3 Using the very recent stock survey data, the following works have been identified as necessary to the stock.

**Table : Works for the Decent Homes Standard required by 2010 based on property numbers at 1<sup>st</sup> April 2003**

		A : Unfitness		B : Reasonable state of repair		C : Reasonably modern facilities		D : Thermal comfort		TOTAL of Decent Homes Standard Works*		Decent Homes Failures
		Number	Cost £000's	Number	Cost £000's	Number	Cost £000's	Number	Cost £000's	Number	Cost £000's	
<b>Non-decent</b>	1st April 2003	558	1,490	370	745	53	265	866	1,910	<b>1249</b>	<b>4,410</b>	<b>1249</b>
<b>Becoming non-decent</b>	2003			389	563					<b>389</b>	<b>563</b>	<b>154</b>
	2004			133	185					<b>133</b>	<b>185</b>	<b>64</b>
	2005			293	575					<b>293</b>	<b>575</b>	<b>142</b>
	2006			104	141					<b>104</b>	<b>141</b>	<b>13</b>
	2007			339	285					<b>339</b>	<b>285</b>	<b>71</b>
	2008			57	92					<b>57</b>	<b>92</b>	<b>6</b>
	2009			36	16					<b>36</b>	<b>16</b>	<b>7</b>
	2003-2010									<b>1351</b>	<b>1857</b>	<b>457</b>

\* Totals differ due to multiple requirements in some properties.

The key factors affecting the above estimates are as follows:

- **Unfitness:** mainly relates to inadequate provision of lighting, heating or ventilation and unsatisfactory facilities for the preparation of food.
- **Repairs:** windows renewals are a key part of these works
- **Thermal comfort:** the need for effective heating systems is highlighted, particularly within some of our rural properties.

4.3.4 The current database has been adapted for Melton, and with its enhanced ability to produce reports and data, it influences and informs the capital programme. The Survey report is comprehensive and recognises that the stock has, within the resources

constraints the Council operates under, been generally well maintained since it was built.

- 4.3.5 There are, however, some key priority areas for investment, including an improvement programme for double glazed windows and completing the installation of central heating for all properties, window replacements in general and the need to modernise kitchens and bathrooms in much of the stock. There is a relatively high level of catch up repairs (those required now to bring stock components up to serviceable standard). Longer term issues reflect the growing age of the majority of the stock and the need for re-roofing from 10 years onwards is highlighted.
- 4.3.6 The council is currently able to obtain resources to finance capital expenditure from a range of sources, including borrowing, 25% of receipts from the sale of council houses, revenue from rent income (i.e. from the Housing Revenue Account) and Major Repairs Allowance (MRA). Other specific grants do also become available from time to time that officers seek to access as the opportunity arises.
- 4.3.7 A review of the Council's capital planning process has been undertaken with a development of a fully funded 7-10 year capital programme and streamlining of internal processes.
- 4.3.8 The Stock Condition Survey has been analysed and kept up to date to reflect actual work done. The total expenditure over a 30 year period currently held on our database is shown at s £50m. We have carried out an initial comparison of potential resources over the next 30 years (assuming the resources set out above) with the expenditure suggested in the survey, adjusted for stock loss through Right to Buy and for fees and contingencies. See table below;

(All figures £'000's)	Yrs 1-5 2005-10	Yrs 6-10 2010-15	Yrs 11-15 2015-20	Yrs 16-20 2020-25	Yrs 21-25 2025-30	Yrs 26-30 2030-35	<b>30 year Total</b>
<b>Expenditure</b>	<b>13,353<sup>1</sup></b>	<b>9,406</b>	<b>8,810</b>	<b>9,100</b>	<b>8,988</b>	<b>9,348</b>	<b>59,005</b>
MRA	5,508	5,701	5,972	6,303	6,671	7,098	<b>37,253</b>
Receipts <sup>2</sup>	1,518	1,395	1,368	1,568	1,668	1,824	<b>9,341</b>
Other resources	1,500	600 <sup>3</sup>	0	0	0	0	<b>2,100</b>
<b>Resources</b>	<b>8,526</b>	<b>7,696</b>	<b>7,340</b>	<b>7,871</b>	<b>8,339</b>	<b>8,922</b>	<b>48,694</b>

Notes:

- 1 High expenditure due to Catch Up Repairs for first 5 years and Decent Homes expenditure
- 2 Assume receipts reduce to nil as RTB sales decline
- 3 Assume no supported borrowing after 2011/12 and no Energy Efficiency Grants after 2006-07

The table shows that there is pressure on resources throughout the 30 year period and in no year are we able to cover 100% of the capital expenditure included within the Stock Condition Survey.

- 4.3.9 We need to determine the most appropriate ways to raise the additional investment resources needed to meet our responsibilities towards the stock and our tenants and their growing aspirations. Consultation on standards and priorities locally will be developed into alternative investment strategies, which will be costed and set against potential resources under each of the options.

4.3.10 Nevertheless, within the overall expenditure totals from the Stock Condition Survey, we are able to afford to meet the Government's minimum Decent Homes Standard that is estimated to cost around £4.5m between 2006 and 2010.

4.3.11 The Appraisal demonstrated that Decent Homes could be achieved. However, whilst this would work for the first 7 years of the Business Plan, it may store problems for later years. Careful management of all HRA resources needs to be in place to ensure we maximise and sustain the investment.

4.3.12 The decision by the Council to retain the stock also included some key recommendations, which were : -

- 1) **The Council to work with members of TFEC and the wider body of tenants to improve services and jointly explore initiatives to drive through efficiencies and value for money processes.**
- 2) **The Council to rigorously review the central re-charges to the HRA to ensure they reflect the true cost to the HRA.**
- 3) **The Council to review the RTB capital receipt allocation split between the HRA and the General Fund.**
- 4) **The Council to explore and maximise the potential of Prudential Borrowing to bring in extra resources through the Governments Support for Local Authority Capital in the Prudential System.**

4.3.13 In the last 5 years, the council's investment strategy has concentrated on:

- a windows and central heating programme
- roofing and other external works to the fabric of properties
- some whole house modernisations in parts of the Borough.

In general, the delivery of the capital programme in recent years has been affected by the continued annual letting of contracts. This has led to some slippage at the end of all financial years. Slippage was 15% in 2005/06 against a programme of £1.74m. Changes to procurement practices can now be driven by the Best Value Review, the establishment of accurate stock information through the survey and the predictability of resources now available with the Major Repairs Allowances.

#### 4.4 **Balancing Needs**

It is accepted that there will be pressures between these priorities. For example reducing right to buy sales are putting pressure on the release of finance from other land disposals to be used to support Decent Homes Standards. However, other Corporate Priorities including capital projects relating to the maintenance of our assets or the use of that same land for affordable housing purposes will need to be married up and balanced off.

#### 4.5 **Other Services**

4.5.1 The Council has not previously needed to invest in parking, however a car parking strategy will be created by 31 March 2007 and will look at ways in which increasing demand for parking provision can be managed. Further proposals will then come forward for consideration and inclusion in the capital programme.

4.5.2 The Councils assets are undergoing complete condition surveys and the implications of the work that is required will also need to be considered by members later this year and in some cases assets return on investment and future usage may need to be considered

if the costs are unaffordable.

4.5.3 The Council sees both the need for regeneration in the Town Centre, and the need to maintain its economic viability as an important priority. To this end several key projects are being considered or underway:

- The Town Station Site Development – disposal - underway
- Cattle Market Strategic Review - underway
- Town Centre Masterplanning - planned
- Public Realm/Urban Design bids following the Masterplanning process.- planned some bids already submitted.
- Waterfield Leisure Pool

We will seek lead partners to develop the area and so enhance employment opportunities and housing. This will require the Council to investigate opportunities including maximization of other major Town Centre Assets. Extensive consultation will take place when these projects are at appropriate stages for discussion. This will include our partners, stakeholders and the public as appropriate. A good example of this has been the work carried out to date in respect of the Cattle Market Strategic review in terms of working with key stakeholders.

#### 4.6 **Disposal Strategy**

4.6.1 As part of this asset review the Council's Disposal Strategy is being reviewed and a substantial number of sites will be coming forward for members consideration in forthcoming months. Several sites have already been approved namely: Spinney Allotments (completed), South Melton Community Centre, Kirby Lane and Dieppe Way (completed), Scalford Road (exchanged) and Wycliffe House (exchanged). A significant number of other sites have been identified following a review of our asset register and in particular HRA garage sites are being subject to particular review.

#### 5.0 **Evaluation and Monitoring of Schemes**

5.1 The Corporate Management Team comprises the Chief Executive and two Corporate Directors and take a corporate view to the development of the Council's services. The Directors ensure that a cross-cutting approach is taken to the consideration of all issues including the capital programme. All development issues are discussed between the Service Area Head and a Strategic Director as part of the Council's Service Planning process, previously explained. Only schemes that deliver priorities as established by the Council's Corporate Plan (including the Council's commitments to the Community Strategy) and Government guidance proceed to the next stage.

5.2 The Capital Asset Management Team considers the capital programme assessing schemes on the basis of detailed project appraisals that set out full details of the scheme (Capital Projects Appraisal Process), including the need for the spending and an assessment of how the project delivers the Corporate Plan and Community Strategy objectives, whether there are alternative methods of achieving the aims, the resources available and the cost to the Council. This group meets every two months in order to monitor progress on schemes and capital receipt income. The process adopted is fully documented in the Council's Budget Manual.

5.3 The draft programme and detailed schemes are then considered by a Member group that considers the schemes before they are formally presented to the Policy Committees.

5.4 As part of the Council's regular budget monitoring, monthly expenditure reports are produced by Finance for budget officers responsible for individual capital projects, with

variances considered by the Corporate Management Team. Quarterly monitoring reports are submitted for consideration by CAMT and Policy Committees.

## **6.0 Lessons and Options Considered**

6.1 The Council has trained all its project managers in project management and detailed guidance is being made available for their use. This includes assessing and reviewing its experience and translating lessons learned into improved service delivery. In addition training is being provided for officers in how to bid for funding.

6.2 Performance Management is now embedded within the organisation. There had in the past been slippage of the capital programme over the years, this was largely as a result of officers being too optimistic about their ability to deliver schemes for example, when there is a significant element of consultation of the public involved. Changes were made to the Capital Programme to enable improved work planning by officers and reduced the level of scheme slippage. In addition, the tightened budget-monitoring regime has given greater scrutiny of progress on schemes and enable corrective action to be taken. Significant improvement in spending against profile is now being seen as a result of these changes.

## **6.3 Value for Money**

6.3.1 The Council has put in place strategic processes which, when completed, will achieve good value for money across the range of services. In addition, the Performance Management System is being used to identify and address value for money at service level.

6.3.2 The Council has access to the Welland procurement Unit who will provide the Council with expertise and access to specialist procurement expertise. This procurement approach will ensure that we support our small local and rural business in line with the Small Business Concordat that the Council has adopted. In addition this service is now providing access to construction and EU procurement advice.

6.3.3 The Council's Change Team is now an integral part of the way in which we seek to review services and the reviews that services carries out may well inform our Capital Investment Strategy in particular in relation to IT.

## **6.4 Approaches to PFI and alternative methods of funding**

6.4.1 The Council is small and has few schemes suitable for a PFI approach, however any opportunities that do become available such as Affordable Housing in the context of Housing PFI will be fully explored.

6.4.2 The Welland Partnership and LSEP continue to be very effective in supporting Council priorities.

## **6.5 Consultation and Links to Partners**

6.5.1 The Council has a track record of involving, working with and consulting both partner organisations and the public – this is an important contribution to assisting us to identify options and in learning lessons. A detailed public participation strategy sets out how that is conducted although the type of scheme does affect the consultation that is carried out.

6.5.2 The Council does not work in isolation from others, but has a history of working successfully with a wide range of key partners including other public bodies, the private sector and the voluntary sector including the Melton Community Partnership and Leicestershire Local Strategic Partnership. The Council recognises the need to work with others at a local, regional, national and European level to ensure the interests of

the community are served and protected.

6.5.3 By working with partners, the following benefits are endeavoured to be achieved:-

- (a) Leverage in additional external funding.
- (b) Ensure improved use of sites, whether or not in the ownership of the Council.
- (c) Ensure the future sustainability of projects.
- (d) Support others in development of projects which meet corporate aims.
- (e) By working collaboratively and in partnership to achieve savings and efficiencies.

6.5.4 Examples of items within the existing programme that represent working with partners are:

Melton Hub  
Cattle Market Exhibition Hall  
CCTV  
Registrars Conversion  
Melton Access Centre  
Melton Enterprise Centre  
St Marys Close Churchyard  
Shared Service Development – Revenues/Benefits and Procurement.

## 7.0 Revenue Consequences of Capital Investment and Risk Management

7.1 The Council's Medium Term Financial Strategy, which is closely linked to this strategy, outlines a projection of the Council's revenue resources for the same period - i.e. to 2009. The Medium Term Financial strategy takes account of all revenue effects of the capital programme to ensure that the decisions taken are sustainable into the future.

7.2 The Prudential Code requires the Council to set prudential limits for servicing debt from 2004. The use of Prudential Borrowing to finance appropriate capital projects in future will be considered if affordable, i.e. invest to save schemes.

7.3 The Council has in place a comprehensive risk management process which includes a formal group of officers Risk Management Team reviewing risks on a regular basis with lead member attendance. The organisation uses a STORM form (Strategic Tactical and Operational Risk Management) to assess and report on risks and this methodology is integrated into all of the other Council systems in use e.g. the capital prioritisation process, service plans and reporting process etc.

## 8.0 Financing the Capital Strategy

8.1 The Capital Strategy needs to have regard to the financial resources available to fund it. The main sources of funding are detailed below:-

- Capital Receipts – primarily resulting from the sale of the Council's assets and as defined in the Council's disposal strategy.
- Capital Contributions – including contributions from developers (often under Section 106 Planning Agreements) and grants towards specific schemes.
- Use of Council's own resources – either by revenue contributions to capital, or use of earmarked reserves.
- Borrowing – the Council now has more freedoms to borrow under the Prudential System provided it can demonstrate that it has the resource to service the debt. Increasingly this area is being considered particularly where invest to save schemes exist or for investments that will have a significant life.
- Major Repairs Reserve – government funding for the improvement of housing stock.
- Revenue funding – particularly relevant for invest to save type schemes.

## 9.0 **Assessment and Review**

- 9.1 This strategy will be subject to annual assessment in June/July of each year to ensure that changes are included and that development issues have been implemented with a full review at 3 years.

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