

Report to the Council

Committee: Cabinet

Date: 18 December 2007

Portfolio Holder: Councillor C Whitbread

Item: 11(b)

1. CAPITAL STRATEGY 2007-2012

Recommending:

(1) That the ranking of the Council's Key Capital Priorities be revised as follows:

- (a) Improving the Council's Housing Stock;**
- (b) Meeting Housing Need;**
- (c) Improving Quality of Life;**
- (d) Protecting the Environment;**
- (e) Promoting Economic Development;**
- (f) Regenerating Areas in Need;**
- (g) Delivering Quality Public Services through e-Government; and**
- (h) Improving Private Sector Housing Stock;**

(2) That no further Town Centre Enhancements or large-scale Parking Reviews be undertaken before 2012; and

(3) That the attached draft Capital Strategy 2007-2012 be approved.

Background

- 1.1 It is no longer necessary for the Council to submit the Capital Strategy to the Government Office for assessment but there is an expectation that the Strategy will continue to be produced and updated. Whilst there is no requirement to update the Strategy annually it is considered important to do so in order to ensure that it is kept up to date. A good Capital Strategy enables the Council to make sound strategic decisions in relation to its use of capital resources and forms an important part of the Council's performance management and financial planning frameworks.
- 1.2 No major changes are proposed to the format or text of the Capital Strategy. It has been updated with current schemes and expenditure forecasts as contained within the latest Capital Programme approved by Cabinet on 8 September 2007 as part of the Capital Review. Since then, there have been no changes to the

Capital Programme in total. One small change to the phasing of works to improve off-street parking finance from the General Fund has been recognised in that £90,000 has been slipped from 2007-08 to 2008-09 in line with Housing Revenue Account planned works on such schemes.

Key Capital Priorities

- 1.3 We have reviewed the ranking of the Council's key capital priorities in the light of fulfilling the Council's aims and objectives.
- 1.4 In recognition of adopting the Nottingham declaration and seeking to implement capital schemes in the most sustainable manner we are recommending that the ranking of "Protecting the Environment" should increase from priority 5 to priority 4.
- 1.5 The Council has introduced a pilot scheme of "Home Ownership Grants" and is promoting increased Shared ownership. In the light of these initiatives we are recommending that the ranking of "Meeting Housing Need" should increase from 7 to 2 on the list of priorities.
- 1.6 Although the Council is still working to develop enhanced services through the best possible use of ICT we are recommending that this should no longer be the second highest priority and should decrease from that position to 7th on the list of priorities.
- 1.7 The proposed revised ranking of the Council's key capital priorities are set out in our recommendations above and also appear in Section 5.2 of the Strategy document.

Achievements and Initiatives

- 1.8 The Strategy has also been updated with the latest examples of historical achievements, cross cutting partnership initiatives and cross border working relationships. The generation and application of capital receipts has also been revised in line with latest trends and forecasts.

Large Scale Infrastructure Schemes

- 1.9 We have considered whether, for the duration of the Capital Strategy, the Council should continue to invest in its own capital resources in infrastructure such as town centres and in programmes such as large scale parking reviews.
- 1.10 The Council has in the past, and continues to invest significant sums of capital into the delivery of large-scale infrastructure projects i.e. Town Centre Enhancements. Whilst in the case of The Broadway, Loughton this can be justified at least in part because the Council owns the land and buildings in question, the same cannot be said of other town centre locations. Much of the capital involved is spent on upgrading the local highway infrastructure which is an Essex County Council asset and who are responsible for its upkeep. To date, the County Council has not contributed in any significant part to the costs of an Enhancement Scheme. We have considered whether the District Council should continue to use its capital resources in this way and we are recommending that no further Town Centre Enhancements be undertaken before 2012.
- 1.11 The Council also invests heavily in area-wide parking reviews. The District Council holds an agency arrangement with the County Council for the on-street parking enforcement service. This operates very well and the District Council has recently let a new enforcement contract. However, this agency role does not extend to a

requirement to undertake parking reviews of any kind, although the Council has previously done so, examples being the recent Buckhurst Hill and Epping reviews. The cost of these reviews is continuing to rise, and the outcome of the reviews has in both cases been controversial, resulting in considerable public concern and complaint and leading to further reviews of those areas in an attempt to deal with those concerns. The Council has stated its intention to review parking in other areas, and we are of the opinion that these reviews might be better delivered through a more targeted approach, dealing with specific local issues. Accordingly we are recommending that no further large-scale parking reviews be undertaken before 2012.

Conclusion

- ... 1.12 The attached draft Strategy is based on the Council's currently approved capital programme and takes account of the latest guidance on capital accounting arrangements for local government. We recommend as set out at the commencement of this report.