

## **Report to Cabinet**

**Report reference: C/080/2007-08.**

**Date of meeting: 12 November 2007.**



**Epping Forest  
District Council**

**Portfolio: Finance, Performance Management & Corporate Support Services.**

**Subject: Capital Strategy 2007-2012.**

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### **Recommendations/Decisions Required:**

- (1) That, taking into account the new initiatives being pursued, the ranking of the Council's Key Capital Priorities be reviewed;**
- (2) That consideration be given to the future of the programme for Town Centre Enhancements and large-scale Parking Reviews; and**
- (3) That the draft Capital Strategy 2007-2012 be recommended to the Council for approval.**

### **Report:**

1. In 2002, the Council's Capital Strategy was assessed as "Good", which means that it is no longer necessary for the Council to submit the Capital Strategy to the Government Office for assessment. It should be noted, however, that the Government Office still expects the Council to produce and update the Capital Strategy for its own purposes.

2. Although local authorities are not required to update the Capital Strategy annually, it is felt important to do so in order to ensure that it is up to date and useful. In any event, having 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.

3. The draft Capital Strategy has therefore been updated to cover the period 2007-2012 and Cabinet is asked to consider it in full and recommend its adoption to the Council, in accordance with the Council's Constitution.

4. Since the Capital Strategy has now met the Department for Communities and Local Government's (DCLG) standards and detailed criteria, it is recommended that no major changes be made to the format or text of the Capital Strategy, and that members approach the revision as an updating exercise only. However, there are two issues to which Members' attention is drawn:

(a) The inclusion in part 5 of a statement regarding the Council's adoption of the "Nottingham Declaration" which refers to the Council's commitment, through the capital programme, to seek to mitigate the effects of climate change; and

(b) The need to consider whether, for the duration of this capital strategy, the Council wishes to continue to invest its own capital resources in infrastructure such as town centres and in programmes such as large scale parking reviews.

5. With reference to 4(b) above, 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 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 has not contributed in any significant part to the costs of an enhancement scheme. Consideration should therefore be given as to whether the Council wishes to continue to use its capital resources in this way.

6. Similarly the Council invests heavily in area-wide parking reviews. The Council holds an agency arrangement with the County Council for the on street parking enforcement service. This operates very well and the Council has just 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 costs 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, but these reviews might be better delivered through a more targeted approach, dealing with specific local issues, where there is greater certainty of outcome. Members are requested to consider whether they wish to continue with the larger scale reviews or to concentrate on smaller more focused reviews where the outcome is more manageable and costs can be contained.

7. The Strategy 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 financed from the General Fund has been recognised in that £90,000 has been slipped from 2007-08 to 2008-09 in line with HRA planned works on such schemes.

8. The Council's Key Capital Priorities have been included in Section 5.2 of the draft Capital Strategy according to the ranking approved in October 2006. Cabinet is asked to give particular consideration to the appropriateness of this ranking in the light of fulfilling the Council's aims and objectives and to re-prioritise as necessary. Some of the issues to consider in a re-prioritisation include:

(a) As outlined in 4 above, the Council has adopted the Nottingham Declaration and will seek to implement capital schemes in the most sustainable manner. In view of this Members might feel that the ranking of "Protecting the Environment" should increase from fifth out of the eight priorities;

(b) The Council has introduced a pilot scheme of "Home Ownership Grants" and is promoting increased Shared ownership. These new initiatives indicate that the ranking of seventh out of the eight priorities may no longer be appropriate to "Meeting Housing Need"; and

(c) Whilst the Council is still working to develop and enhance services through the best possible use of ICT, Members may feel that this is no longer the second highest priority.

9. The Key Capital Priorities and the order of the proposed capital projects listed in 6.3 will then be revised in accordance with the new ranking.

10. 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.

#### **Statement in Support of Recommended Action:**

11. 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.

**Other Options for Action:**

12. The Cabinet has the following options available:

- (a) Recommend the draft Capital Strategy to the Council, as produced; or
- (b) Amend the Capital Strategy and recommend a revised draft to the Council

**Consultation Undertaken:**

13. Consultation was undertaken as part of the consultation on the Best Value Performance Plan (BVPP) 2006/7, since the BVPP includes a summary of the Capital Strategy.

**Resource Implications:**

**Budget Provision:** As set out in the Capital Strategy.

**Personnel:** Nil.

**Land:** As set out in the Capital Strategy.

**Community Plan/BVPP reference:** "Capital Strategy".

**Relevant Statutory Powers:** Various.

**Background Papers:** ODPM/DCLG Guidance.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** As set out in the Capital Strategy.

**Key Decision Reference (if required):** Key Decision.