

**TONBRIDGE AND MALLING BOROUGH COUNCIL**  
**CAPITAL STRATEGY 2008/09**

**1. Introduction**

1.1 The purpose of the Council's Capital Strategy is to document the principles and framework that underpin its longer-term capital investment and expenditure proposals. The strategy is drawn up under the framework provided by the Local Government Act 2003 and its associated regulations.

1.2 The principal aim of the Capital Strategy is to provide a context for a programme of capital investment (known as the Capital Plan) that will assist in the achievement of the Council's strategic priorities and objectives. The Capital Plan is published in the Council's budget book and on the Council's website:

[http://www.tmbc.gov.uk/assets/finance/Detailed\\_Budget\\_2008\\_2009.pdf](http://www.tmbc.gov.uk/assets/finance/Detailed_Budget_2008_2009.pdf) .

The component elements of the Capital Strategy comprise:-

- A statement of the financial context within which the Council needs to determine its approach to capital investment (Section 2).
- A description of the Legislative Framework and Central Government Policies that will influence capital investment decisions (Section 3).
- An explanation of the direct relationship between capital investment decisions and the Council's strategic priorities and objectives (Section 4).
- An exposition of the key principles supporting the Capital Strategy (Section 5).
- Consideration of various partnership arrangements (Section 6).
- A detailed explanation of the processes to be followed in the implementation and management of the Capital Strategy (Section 7).
- The Capital Plan (Section 8).
- Post implementation reviews (Section 9).

**2. The Financial Context**

2.1 Key Financial Statistics for Tonbridge & Malling BC:-

Statistics	£
Net Budget Requirement <b>2008/09</b>	<b>13.98</b> million

Government Grant / Business rates <b>2008/09</b>	<b>6.45</b> million
Borough Council Band D Charge <b>2008/09</b>	<b>159.50</b>
Capital Plan <b>2008/09</b> to <b>2013/14</b> (Gross expenditure)	<b>15.94</b> million
Fixed Assets at 31 <sup>st</sup> March <b>2008</b>	<b>51.95</b> million
Debt Outstanding at 31 <sup>st</sup> March <b>2008</b>	Nil

- 2.2 The Council transferred its housing stock to Russet Homes (formerly known as Tonbridge and Malling Housing Association) in 1991 and from the proceeds repaid all external debt. It is not expected that the Council will have to borrow in support of capital expenditure throughout the Capital Plan period to **2013/14**.
- 2.3 A Medium Term Financial Strategy (MTFS) was adopted in 2003/04, which, together with the Council's corporate aims and priorities, and the Prudential Code published by the Chartered Institute of Public Finance and Accountancy (see paragraph 3.1) form the basis for any capital investment decisions. The MTFS was used to guide the selection of new Capital Plan schemes during the **2007/08** Capital Plan review process and will continue to be a major influence on the **2008/09** and subsequent Capital Plan reviews. The MTFS is updated at least once a year and the latest version is published on the Council's website: <http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3001>.
- 2.4 The Council's revenue budget is currently underpinned by the receipt of investment interest on its capital receipts. In **2008/09** the Council is receiving the second lowest amount of Formula Grant (Revenue Support Grant plus redistributed business rates) per capita of Kent District Councils and the dependence upon investment interest to sustain revenue budgets is unlikely to diminish in the foreseeable future. This means that a key element of capital investment decisions is the impact upon the revenue budget in consequence of spending invested funds.
- 2.5 Although it no longer directly owns and manages a housing stock, the Council places a very high priority upon creating additional units of affordable housing within the context of its Housing Strategy. The Council has adopted the **KEY Priority: "Add to the supply of affordable housing and reduce the incidence of homelessness"**.
- 2.6 The Housing Strategy identifies means, outside the Capital Plan, by which the Borough Council seeks to identify new funding opportunities for social housing and to support Registered Social Landlord (RSL) partners in bids to the Housing Corporation and the Regional Housing Board. Details of the Council's housing investment priorities can be found in its Housing Strategy 2005-2008 (The Housing Strategy can be found on the Council's website: <http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1235>). ***This document is currently under review and a refreshed strategy will be adopted to cover the period 2009-2011.***

- 2.7 Government support for housing via the Borough Council is focussed on two areas. ***The first area is (mandatory) Disabled Facilities Grants (DFGs) for adaptations to disabled persons' homes. In the past 60% of funding for DFGs, up to an annual limit, came from the government. Local authorities were required to find the remaining 40% from their own resources. From 2008/09 the DFG funding split of 60:40 no longer applies. Local authorities will instead receive a DFG allocation without a specified requirement to match this funding. For 2008/09 the DFG allocation is £360,000.***
- 2.8 The other area of housing need identified by the government for support is discretionary housing assistance ***to tackle private sector renewal. The North and West Kent Private Sector Renewal Partnership, which includes the Borough Council, has been awarded £9.75 million from the South East Regional Housing Board to improve private sector housing. £1.62 million of this award has been allocated to Tonbridge & Malling. This funding will be used over the next three years to improve and repair private homes in the borough.***
- 2.9 The potential for generating future capital receipts is limited, however, as the main source of capital receipts is the disposal of capital assets, mainly land, for which there are now limited opportunities. The Council's holdings of assets are kept under review so as to expose any further opportunities that may still exist to release resources for re-investment.
- 2.10 The Revenue Reserve for Capital Schemes (RRCS) contains funds the Borough Council has previously put aside from revenue to fund capital expenditure.
- 2.11 It has been the Council's practice to make an annual revenue contribution to the RRCS. The level of the contribution needs to be considered in the context of the pressures on the Council's revenue budget from Services' requirements and external constraints. The Medium Term Financial Strategy allows for a contribution of ***£450,000*** in ***2008/09*** rising by £50,000 per annum to ***£700,000*** by ***2013/14***.
- 2.12 The demographic and economic features of the Borough give rise to a realistic assessment of very limited opportunities to attract funds from national and regional sources. In respect of European funding opportunities, the Borough does not have any specific objective areas status, thus these are seen as limited. Nevertheless, the Council will continue to investigate and exploit external funding initiatives where projects are identified which deliver the Council's key priorities and do not generate unsustainable revenue budget commitments. European Union funding has been obtained for Tonbridge Castle Gatehouse and the Tonbridge to Penshurst Cycleway through the Interreg initiative.

- 2.13 The Council considers the scope for achieving its investment priorities through the Private Finance Initiative is limited but will continue to monitor the situation.

### **3. Legislative Framework and Central Government Policies**

- 3.1 The legislative framework is set out by the Local Government Act 2003 and its subsidiary regulations. This framework provides for a prudential system based on borrowing limits set by each individual local authority. Under this system, local authorities must have regard to affordability, prudence and sustainability and must follow the “Prudential Code for Capital Finance in Local Authorities” published by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the “Prudential Code”).
- 3.2 The Prudential Code also requires that the CIPFA Code of Practice for Treasury Management in the Public Services is adopted. This was adopted by Council on 30 September 2003 and underpins the Council’s Treasury Management Strategy Statement and Annual Investment Strategy for **2008/09** approved by Cabinet on **5<sup>th</sup> February 2008**.
- 3.3 Government support for capital expenditure consists of revenue support or capital grants. Revenue support is by the award of Supported Capital Expenditure (Revenue) which feeds into the Revenue Support Grant calculation. This award is intended to compensate for the actual or notional costs of borrowing and is based on an assessment of current needs. Expenditure above this assessed level will not receive revenue support. Government has been moving away from revenue support and there has been no allocation of Supported Capital Expenditure (Revenue) for Tonbridge & Malling Borough Council in **2008/09**. All government support for the Council’s capital expenditure in **2008/09** is by way of capital grant.
- 3.4 Government support through capital grants is usually ring-fenced for specific purposes. Recently, the Council has been successful on several fronts in securing grants, notably the East Peckham Flood Alleviation project which has received capital grant from the Department for the Environment, Food and Rural Affairs (Defra), and from the Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister) for Implementing Electronic Government. It is the Council’s intention to try to secure capital grants, wherever possible, for schemes which advance the Council’s Corporate Aims and Priorities, particularly the Council’s **KEY** Priorities.
- 3.5 As noted in paragraph **2.7 and 2.8**, capital grants **will be made available in 2008/09** to support mandatory Disabled Facilities Grants and discretionary housing capital expenditure.
- 3.6 The prudential framework for capital expenditure is intended to encourage local authorities to use resources more flexibly and plan for

the longer term; provide more autonomy and accountability, with local authorities having greater responsibility for local capital spending decisions; move towards improved corporate and strategic working, with more effective tackling of cross-cutting issues; and better use and management of assets. The Council is hopeful that its rigorous and successful approach to capital investment and asset management will be rewarded with additional Government resources.

- 3.7 Another key element of the legislative framework is the duty of best value introduced by the Local Government Act 1999 which is inspected by the Audit Commission through Comprehensive Performance Assessment (CPA). This is addressed in Section 5 of the Strategy as one of the key principles to be applied in capital investment decisions.
- 3.8 The Borough Council is committed to a capital strategy that contributes towards achievement of Central Government targets and objectives. For example, ***although a comprehensive Implementing E-Government (IEG) Statement is no longer required, other requirements and targets set by Central Government for specific functions often require the use of electronic service delivery. The Council continues to invest in this and has made substantial progress towards the objective that all services should be available electronically.***
- 3.9 Sir Peter Gershon presented to Government in July 2004 the report of the Independent Review of Public Sector Efficiency (the "Gershon Review"). The Efficiency Review was to examine "new ways of providing departments, their agencies and other parts of the public sector with incentives to exploit opportunities for efficiency savings and so release resources for front line public service delivery". The report identified six main areas for potential savings and noted that Local Government had a key role to play.
- 3.10 *Following the 2007 Comprehensive Spending Review, the Chancellor announced a continuation of the previous efficiency regime. This time, however, no local targets have been set but a national target of 3% per annum has been set for local government as a whole. Delivery will be assessed via a national performance indicator (NPI 179) which will be subject to review by the Audit Commission.***

#### **4 Corporate Aims and Priorities (CA&P)**

- 4.1 The Council's Corporate Performance Plan sets strategic priorities and objectives at a high level. The plan, published as 'Spotlight', includes cross-cutting themes such as public access and involvement, public and environmental health, crime and disorder reduction, local economy, partnerships, and community leadership. Spotlight is prepared annually for publication by 30<sup>th</sup> June. The latest version of

Spotlight is published on the Council's website:

<http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1096> .

- 4.2 The Residents' Panel (1400+ strong) emerged from the former Citizens' Panel, established as a 1,300 strong panel of residents in July 2000 to provide feedback on Council priorities, services and performance. The Residents' Panel is made up of residents aged 16 years (+) from across the borough and from all walks of life. The initial survey, in autumn 2005, sought residents' views on quality of life and priorities for improvement. These views have demonstrated that the **Council's key priorities as set out** within Spotlight are in line with public opinion. ***This survey is being undertaken again in 2008 to establish if residents views have changed.***
- 4.3 Amongst the CA&P the Council has selected a number of **KEY** priorities on which to focus. These are:
- Identify the opportunities and achieve the benefits for Tonbridge and Malling flowing from the **Local Government and Public Involvement in Health Act (2007)**.
  - Enhance the vitality of Tonbridge town centre.
  - Add to the supply of affordable housing and reduce the incidence of homelessness.
  - Give priority to involving and meeting the needs of young people.
  - Achieve a cleaner, smarter and better maintained street scene and open space environment.
  - Promote, encourage and provide opportunities for healthy living.
  - Reduce:
    - Anti-social behaviour
    - Criminal damage
    - Offences against the person
    - Substance misuse
    - Environmental crime.
  - Make a positive local contribution to tackling the causes and effects of climate change.
- 4.4 As well as the key priorities there is a range of service priorities which are cascaded from Spotlight into service section performance plans.
- 4.5 The Council's CA&P are supported by a wide range of Strategies, and Plans. These will be kept under review to ensure they provide sound linkages to the Capital Strategy. In addition to the public consultation undertaken in support of the Council's CA&P, public consultation is used to underpin the various Strategies, and Plans, and, by extension, the Council's Capital Strategy.
- 4.6 The Council's capital investment decisions should be in support of its CA&P, particularly the KEY priorities, and this will be an integral part of the evaluation process for each project under consideration. The Council's Capital Plan specifically records the linkage between

individual projects and the high level CA&P as captured in the Performance Plan. No project should proceed to inclusion within the Capital Plan unless it furthers achievement of the Council's CA&P. The Council has a proven track record in planning and delivering major capital projects in support of its strategic objectives. For example, a programme of improvements at Tonbridge Farm Sports Ground supports the KEY priority of involving and meeting the needs of young people.

## **5 Principles Supporting the Capital Strategy**

The key principles that underpin the Council's Capital Strategy are set out below:-

### **5.1 Corporate Aims and Priorities.**

Establishment of a direct relationship with the Council's Corporate Aims and Priorities, with a Capital Plan based upon investment needs and prioritised on an authority-wide basis thus demonstrating an explicit link with key strategic planning documents and recognition of the need for a corporate approach to cross-cutting issues such as the environment, social inclusion, affordable housing and community safety.

### **5.2 Public Consultation.**

The use of public consultation is, indirectly, an important part of developing the Capital Plan through its use in developing strategies, which may lead to capital projects coming forward. For example, in 2007/08 a budget consultation exercise **was** undertaken using the Residents' Panel to inform the 2008/09 budget setting process.

### **5.3 Other Consultation.**

As well as individuals communicating directly with Council officers and members, other conduits exist for expressing views to the Council. The Parish Partnership Panel, the Tonbridge Forum, the Tonbridge Sports Association, the Disability Working Party, and customer panels at leisure centres allow specific persons or groups of users to express their views.

### **5.4 Partnerships**

One of the Council's aims is: "To deliver, with others, benefits beyond those possible from the Council's resources". This has major implications on the capital strategy from those, such as the West Kent Partnership, which help shape policy objectives to those, such as the Local Transport Plan Partnership, which aim to deliver projects in conjunction with others, supported by Capital plan provisions. A number of partnership initiatives are considered in section 6.

## 5.5 Community Strategy

A second sustainable community strategy for Tonbridge and Malling entitled 'Serving You Better' was adopted in April 2006 covering the three year period to 2009. Based on extensive community consultation, in liaison with the West Kent Partnership, the strategy identifies key concerns and issues and sets out a detailed action plan to address them. Where the Borough Council is identified as a lead partner on a specific action, for example, increasing the provision of affordable housing or enhancing Tonbridge town centre, capital funding will be brought forward as appropriate to fulfil such obligations. The Community Strategy is published on the Council's website: [http://www.tmbc.gov.uk/assets/businesslinks/com\\_strat\\_06\\_final.pdf](http://www.tmbc.gov.uk/assets/businesslinks/com_strat_06_final.pdf)

## 5.6 Procurement Strategy

Corporate policies on procurement are detailed in the Procurement Strategy approved by Cabinet on 7<sup>th</sup> September 2005. This strategy seeks to ensure that good procurement practice is applied consistently throughout Tonbridge and Malling Borough Council. It sets out how the council will address procurement and establish its importance to the council and the contribution it can make to improved service delivery. The strategy is based on the results of a study of the council's procurement procedures carried out by a neighbouring district authority and is published on the council's website: [http://www.tmbc.gov.uk/assets/publications/StrategicProcurement\\_final.pdf](http://www.tmbc.gov.uk/assets/publications/StrategicProcurement_final.pdf) . The principles enshrined in the Procurement Strategy underpin the implementation of the Capital Strategy.

## 5.7 Support for Regional and National Priorities.

To support, where possible, regional and national priorities, for example urban renaissance, transportation improvements, environmental initiatives such as increased levels of recycling and e-government targets. A recent example of this was a successful partnership with the private sector to utilise council land holdings at The Botany, Tonbridge to lever in much needed private investment in new retailing units. Another example is the investment in green waste collection from domestic properties for centralised composting to reduce the volumes entering the waste stream.

## 5.8 Support for Local Priorities.

To meet local priorities. For example, following the flooding of 2002/03, the Borough Council took the lead in forming a partnership with the Environment Agency, Upper Medway Internal Drainage Board, Southern Water, Kent County Council and East Peckham Parish Council to investigate and remedy flooding problems in East Peckham; a project to which £250,000 was committed. This partnership has identified a number of improvement actions which were implemented in

2005/06. Currently a partnership solution is being sought to alleviate some long standing flooding problems connected with the Aylesford Stream.

5.9 Availability of External Funding.

In support of the council's Strategic Priorities and Objectives to monitor and, where appropriate, pursue available forms of external partnership and funding including European, Lottery etc. and to consider the relevance of Public / Private Partnerships to the attainment of the council's objectives.

***The Council's Local Development Framework Core Strategy supports the Government policy that development should contribute towards the community services and infrastructure that are necessary to support that development. Developer contributions are brought forward by planning conditions or legal obligations on a case by case basis. These arrangements have brought forward contributions to affordable housing, education facilities, children's play, sports pitches, leisure facilities, highway works and transportation services. In 2007/08 developer contributions were used to part fund a significant refurbishment of Lakefield Leisure Centre, following an appeal being allowed at New Hythe. The Local Development Framework Core Strategy, Policy CP25, adopted by the Council in 2007, can be viewed at [http://www.tmbc.gov.uk/assets/planning\\_policy/LDF/CS\\_Adoption/Core\\_Strategy.pdf](http://www.tmbc.gov.uk/assets/planning_policy/LDF/CS_Adoption/Core_Strategy.pdf) . The government has published broad proposals for restructuring the mechanisms by which development contributions are sought but it is far from clear what the detailed system will be like and when it will come into force.***

5.10 Use of the Council's Assets.

Maintenance of an Asset Management Plan and performance measures for the use of council owned assets to ensure optimum returns and early release of redundant assets in support of strategic investment priorities and to attract inward investment.

5.11 Consideration of the Impact on the Council's Revenue Budget.

To ensure that capital investment decisions are consistent with the Council's Medium Term Financial Strategy, particularly the management of its revenue budget so as to reduce its dependence upon the use of revenue reserves.

5.12 Best Value / Comprehensive Performance Assessment (CPA).

District councils are best value authorities. They have a statutory duty to put in place arrangements to secure continuous improvement in their functions having regard to a combination of economy, efficiency and

effectiveness. Under the 1999 Local Government Act the Audit Commission (the Commission) has a duty to assess from time to time how well authorities are fulfilling this general requirement for continuous improvement. The Commission also has a duty to categorise local authorities according to their relative performance.

The Commission introduced Comprehensive Performance Assessment (CPA) in 2002. CPA is a tool that brings together the most significant elements of the Commission's audit and inspection work to form a single judgement about the performance of councils and their arrangements for improving services. It also enables comparison between councils.

The CPA framework for district councils from 2006 will:

- continue to encourage improvement;
- be seen from the perspective of service users;
- provide value for money for taxpayers;
- be targeted and risk-based; and
- be delivered in partnership with others.

The Commission will encourage improvement and value for money by undertaking annual use of resources assessments and direction of travel statements in each district council. These mechanisms, together with national performance indicators, targeted inspection activity and ongoing monitoring by relationship managers and appointed auditors, provide the foundation of the Commission's public assurance role.

In the 2003/04 assessment, Tonbridge and Malling Borough Council was deemed to be "Excellent". In both 2004/05 and 2005/06 a use of resources score of 3 (out of 4) was obtained – performing well – consistently above minimum requirements. ***In 2006/07 the Council was awarded the maximum score of 4 – performing strongly.***

From 2009/10 the CPA will be re-titled Comprehensive Area Assessment (CAA). The Audit Commission has consulted on the arrangements from 2009/10 onwards and the transitional year 2008/09. At the time of writing the results of the consultation are awaited; however, key success factors are expected to include partnership working; joint procurement; citizen engagement; and sustainability.

#### 5.13 The Gershon Review

The principles of seeking efficiency savings which emerged from the Gershon review (paragraph 3.9) need to be taken into account in planning capital expenditure. Emphasis is added to the need to have regard to the impact on the revenue budget caused by the reduction in investment income following on from capital expenditure and the ongoing running costs of a project. The potential for capital expenditure to achieve ongoing operational efficiencies needs to be

considered in the context of establishing proposals for meeting savings targets.

5.14 E-Government

The government has ***previously*** set a target that all services should be available electronically, where feasible. Additionally the Department for Communities and Local Government (DCLG) has set 73 priority outcomes. The Borough Council ***has used*** its capital plan to meet these targets, assisted by the receipt of grant from the DCLG for Implementing Electronic Government. The detailed planning to meet these targets is set out in a comprehensive Implementing E-Government (IEG) Statement: <http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=360> . ***Although the specific targets and priority outcomes are no longer applicable, the general objective to make services available electronically still applies and is a priority in order to improve efficiency and economy and to meet customer aspirations for electronic service delivery.***

5.15 Young People

One of the Council's key priorities is to involve and meet the needs of young people. In partnership with the Kent County Council Youth Service, a Youth Agreement has been produced in draft which sets out services currently offered to young people in the borough along with a number of new initiatives to be implemented. ***A number of schemes in the Capital Plan are currently being progressed to meet the needs of young people including a new ball court at Tonbridge Racecourse Sportsground and outdoor play facilities at Tonbridge Farm Sportsground.***

5.16 ***Climate Change*** / Energy Conservation

The Council has an important role to play in promoting and facilitating action to improve the environment and quality of life in Tonbridge and Malling. ***It is a signatory to the Nottingham Declaration on Climate Change and has recently adopted a Climate Change Strategy for the Borough.*** The Council is committed to sustainable development through partnership work in the wider community and also by addressing its own activities. ***The 2008-2011 Climate Change Strategy can be viewed at*** [http://www.tmbc.gov.uk/assets/Climate\\_Change\\_Strategy.pdf](http://www.tmbc.gov.uk/assets/Climate_Change_Strategy.pdf)

With the assistance of the Carbon Trust, energy usage and conservation of energy within all council buildings is being examined and capital investment ***is being made*** to improve sustainability and reduce annual operating costs. ***Our initial focus is at our leisure centres which account for the majority of the Council's energy needs.***

## 6 Partnerships

### 6.1 West Kent Partnership

The Council is a founding member of the West Kent Partnership, formed on a sub regional rather than district basis, reflecting the degree of economic and social homogeneity across West Kent and a shared community of interest. The other members are Kent County Council, Sevenoaks DC, Tunbridge Wells BC, Primary Care Trust; Police Authority; the Education Sector; Registered Social Landlords and other Social Housing Providers; Government Office for the South East (observer); Kent Association of Parish Councils, transport providers, the Council for Voluntary Services and representatives of the business community.

The Partnership is seeking to work with other partners in a joined up fashion for the benefit of the local community paying due attention to the overarching County Vision for the whole of Kent. The Partnership and its sub groups are actively addressing a number of issues facing the West Kent area, including the promotion of affordable housing for essential workers, 'priority communities' in need of support and regeneration, lobbying for road and rail improvements, support for the voluntary sector and addressing the support needs of home-based businesses.

***Following a review of the West Kent Partnership in late 2007, the three West Kent districts have decided to develop individual Local Strategic Partnerships (LSP) for their areas. The Council is therefore seeking to establish a new LSP by the end of 2008. The West Kent Partnership will continue as a strategic partnership for the sub region focusing on economic and regeneration issues***

### 6.2 Local Transport Plan Partnership

This partnership recognises that although a number of transport and traffic management projects are the direct responsibility of the highway authority, they have a local significance and priority expressed through public consultation. In support of these, the Borough Council has, in recent years, made an annual provision, (£50,000 in **2008/09**) to secure their implementation. ***For example, it has helped to open up a new access to the northern side of the increasingly busy West Malling railway station. The Borough Council directly designed and built the new road, a significant help to all travellers, especially people who are disabled, and it did so from funds contributed by the Parish, Borough and County Council together with monies from the Department for Transport's 'Access for All' fund.***

### 6.3 **Community Regeneration** Partnership

The Council has entered into partnerships which have made a genuine difference to the local community with clear and tangible outcomes.

**Partnerships are now in place for Snodland, East Malling and Trench ward in Tonbridge.**

**The Council contributes a range of resources in such partnerships, including, where appropriate, capital funding. However, following a recent scrutiny review of the Snodland Partnership, previous capital contributions have been replaced by revenue funding to support community development work locally.**

### 6.4 Other Partnerships

The **Community Safety** Partnership (**CSP**) has addressed cross cutting issues such as community safety. As well as the Council, the partnership includes organisations such as Kent Police Authority, Kent County Council, Kent Fire and Rescue, South West Kent and Maidstone Weald Primary Care Trust, Probation Service, Russet Homes, and Kent Drug and Alcohol Action. The partnership has influenced the installation of CCTV in Tonbridge town centre and other borough locations, in partnership with the Home Office, Tunbridge Wells Borough Council and local traders, which has led to a reduction in crime as identified in the 2001 and 2004 Crime and Disorder Audits. The **CSP has recently** produced a **new Community Safety Strategy** and action plan which can be found on the Council's website:

[http://www.tmbc.gov.uk/assets/Final\\_Strategy\\_and\\_Action\\_Plan.pdf](http://www.tmbc.gov.uk/assets/Final_Strategy_and_Action_Plan.pdf)

**The Valley of Visions** Partnership Scheme **involves** the Borough Council, Medway Council, Kent County Council, the Environment Agency, the Kent Downs A.O.N.B., Lafarge Plc, Trenport Plc and others to produce a programme to conserve, enhance and celebrate what is special in the Medway Gap. This partnership has been awarded a grant of £1.8 million by the Heritage Lottery Commission towards projects costing £2.5 million; the balance being funded by the partners. Implementation of grant aided projects is to commence in **2008/09** and must be completed by the end of **2010/11**. The Council has made provisions totalling £75,000 over the three years of the scheme.

<http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1263>

Linked to the Community Strategy, a major master planning exercise for Tonbridge Town Centre **has been** undertaken. **This informed the preparation of the Tonbridge Central Area Action Plan. These documents provide the context for partnership projects to attract private sector investment in the town centre and / or secure transport and environmental improvements.** Negotiations have **now progressed** with J Sainsbury Plc. to set up the first of these

partnership projects ***which will involve the redevelopment of*** the Botany Area ***to provide*** a comprehensive mixed use redevelopment that ***will*** attract a significant number of new retailers to add to the vitality of shopping in the town, improve public spaces and make a major contribution to the overall regeneration of Tonbridge. The project would also provide for the replacement and enhancement of the community and leisure facilities at the Angel Leisure Centre.

The Capital Plan contains a provision for Community Partnership Initiatives to enable the Borough Council to respond to any partnership projects which may emerge during the year. Provisions so far total £300,000. ***A range of projects in conjunction with the County Council have been supported from this provision including traffic modelling work in Tonbridge and traffic calming in Wouldham and Burham.***

## **7 Implementing and Managing the Capital Strategy**

The Council has developed a process for considering and evaluating potential capital schemes as an integral part of its Capital Strategy. This process for selecting schemes is described below:-

### **The Selection of Schemes**

- 7.1 Schemes, subject to some exceptions listed below, are selected by a phased process. For convenience, the stages have been termed List A, List B and List C, with List A being the approved Capital Plan and List C being the entry level.
- 7.2 As schemes come forward, either from Members or Officers, or as a result of various Strategies, they are stored in a list of schemes (List C) for consideration and possible evaluation. These schemes should arise naturally from the Council's Strategic Priorities and Objectives, particularly the KEY priorities, reflect the results of consultation, and should be accompanied by an informed preliminary estimate of cost.
- 7.3 From List C, Members may select schemes for evaluation. Evaluations will include:-
  - Specification of the purpose of the scheme and its relevance to the Council's strategic objectives and wider national policy objectives, the setting of targets by which the success or otherwise of the project can be judged post-implementation.
  - An outline design to facilitate costing and, where appropriate, consultation.
  - Consultation, including, where appropriate, public consultation on the scheme's principle.

- The establishment of a realistic estimated capital cost, incorporating any consultation feedback on design issues.
  - An assessment of the ongoing costs and income generating capacity of the completed scheme including an assessment of the loss of interest from investments.
  - Consideration of partnership opportunities, external funding options etc. For instance, securing a grant from the Heritage Lottery Fund towards the installation of a roof at Tonbridge Castle Gatehouse has improved the effectiveness of the management of an ancient monument by reducing the impact of adverse weather conditions, increasing income and improving operational efficiency.
  - Consideration of the time after the end of the project during which the targets and objectives should be reviewed and reported to stakeholders.
- 7.4 The evaluation process will reveal the impact of the project on the revenue base budget, enabling Members to compare the value of the scheme with the financial savings required to pay for it or the impact on the Council Tax requirement. Schemes successfully passing through evaluation will be included in List B.
- 7.5 The Council is conscious that the process of evaluation is a revenue cost in itself; involving in-house staff and resources or the buying in of external resources and which may draw resources away from the implementation of the approved Capital Plan. In order to minimise the resource impact of evaluation it is important that restraint is exercised in selecting schemes for evaluation. A balance is struck each year between deliverability of the programme and the evaluation of new schemes.
- 7.6 Under the constitutional arrangements adopted by the Council, the evaluated schemes will be reported to Finance and Property Advisory Board which will advise the budget meeting of Cabinet of those schemes deemed suitable to progress to be included on List B. Prior to the budget meeting of Cabinet that advice will be reviewed by Policy Overview Committee and may be updated. By considering all eligible schemes at the same time, a corporate approach can be taken to selecting those schemes deemed suitable to progress. Prioritisation of such schemes will be informed by the wider financial climate, the Medium Term Financial Strategy and the requirements of the CIPFA Prudential Code. Prioritisation will take account of national and regional priorities, the Council's Strategic Priorities and Objectives, the Community Strategy, and the financial consequences arising from the schemes proposed.

- 7.7 The main exception to this selection procedure is the investment necessary to maintain existing levels of service. This will consist primarily of renewals provisions and some one-off items outside the basic renewal provisions. It also includes areas such as capital grants where the Capital Plan provision itself comprises present service levels. These provisions are subject to Member scrutiny within List A and application of Best Value principles.
- 7.8 Ultimately the selection of new Capital Plan schemes from List B for inclusion in the Capital Plan (List A) will be determined by the Council following recommendations from the Cabinet in the light of advice from the Finance and Property Advisory Board and Policy Overview Committee.
- 7.9 Finance and Property Advisory Board will also review existing Capital Plan (List A) schemes, advising Cabinet of the result. This provides an opportunity to review the budget and progress of existing schemes or even to propose their deferment or deletion.

## **8. The Capital Plan**

- 8.1 The result of the process described in section 7 is the Council's Capital Plan. This is a medium term financial and capital planning document covering a six-year period. Year one represents the Council's Capital Programme for the financial year starting after the year of review.
- 8.2 Achievement against the Capital Plan is monitored regularly. An internal monitoring statement is updated at the end of each month and posted on the Council's intranet for use by the Council's staff. At the end of each quarter a statement is considered by the Council's Corporate Management Team and monitoring reports are presented to elected Members at each meeting of the Finance and Property Advisory Board.

## **9. Post Implementation Reviews**

- 9.1 It is important that any issues relating to the implementation of a Capital Plan project are addressed as soon as possible; either during the project or shortly after completion. The wider issues of the effectiveness and value for money of a project are addressed through a formal system of post-implementation review. The reviews are to take place after completion of a project, at a time determined during the evaluation process and are to be reported to the appropriate Advisory Board. Lessons learnt inform future capital programme decision making and are part of a system of continuous improvement.
- 9.2 A formal monitoring procedure has been set up to ensure that the reviews are carried out. Monitoring reports are presented to the May and October meetings of the Finance and Property Advisory Board.

<b>Relevant documents:</b>	
These documents can be found on the Council's website or elsewhere. Please click on the links shown.	
Capital Plan:	<a href="http://www.tmbc.gov.uk/assets/finance/Detailed_Budget_2008_2009.pdf">http://www.tmbc.gov.uk/assets/finance/Detailed_Budget_2008_2009.pdf</a>
The Medium Term Financial Strategy:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3001">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3001</a>
Housing Strategy 2005-2008:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1235">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1235</a>
CIPFA Prudential Code	<a href="http://www.cipfa.org.uk/pt/prudential_framework.cfm">http://www.cipfa.org.uk/pt/prudential_framework.cfm</a>
Corporate Performance Plan (Spotlight):	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1096">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1096</a>
Residents' Panel:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=388">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=388</a>
Community Strategy:	<a href="http://www.tmbc.gov.uk/assets/businesslinks/com_strat_06_final.pdf">http://www.tmbc.gov.uk/assets/businesslinks/com_strat_06_final.pdf</a>
Local Development Framework Core Strategy	<a href="http://www.tmbc.gov.uk/assets/planning_policy/LDF/CS_Adoption/Core_Strategy.pdf">http://www.tmbc.gov.uk/assets/planning_policy/LDF/CS_Adoption/Core_Strategy.pdf</a>
Procurement Strategy	<a href="http://www.tmbc.gov.uk/assets/publications/StrategicProcurement_final.pdf">http://www.tmbc.gov.uk/assets/publications/StrategicProcurement_final.pdf</a>
East Peckham Flood Relief Partnership:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=996">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=996</a>
Implementing Electronic Government:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=360">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=360</a>
Climate Change Strategy	<a href="http://www.tmbc.gov.uk/assets/Climate_Change_Strategy.pdf">http://www.tmbc.gov.uk/assets/Climate_Change_Strategy.pdf</a>
West Kent Partnership:	<a href="http://www.westkentpartnership.org.uk/">http://www.westkentpartnership.org.uk/</a>
Snodland Partnership:	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=408">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=408</a>
Community Safety Partnership Strategy	<a href="http://www.tmbc.gov.uk/assets/Final_Strategy_and_Action_Plan.pdf">http://www.tmbc.gov.uk/assets/Final_Strategy_and_Action_Plan.pdf</a>
Valley of Visions Partnership	<a href="http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1263">http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1263</a>
Draft Leisure and Arts Strategy 2008 - 2013	<a href="http://www.tmbc.gov.uk/assets/Leisure_Tourism/strategy/LA_Strategy2008-2013.pdf">http://www.tmbc.gov.uk/assets/Leisure_Tourism/strategy/LA_Strategy2008-2013.pdf</a>