

TONBRIDGE AND MALLING BOROUGH COUNCIL

DRAFT CAPITAL STRATEGY

1. Introduction

- 1.1 The purpose of the Capital Strategy is to document the principles and framework that underpin the Council's 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 2011 2012.pdf>
- 1.3 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).
 - 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 are:

	£
Net Budget Requirement 2011/12	13.32 million
Government Grant / Business rates 2011/12	4.89 million
Borough Council Band D Charge 2011/12	171.91
Capital Plan 2011/12 to 2016/17 (Gross expenditure)	10.72 million
Fixed Assets at 31 March 2011	52.62 million
Debt Outstanding at 31 March 2011	Nil
Revenue Reserve for Capital Schemes at 31 March 2011	11.14 million

- 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 **2016/17**.
- 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 in recent years and will continue to be a major influence on the **2011/12** 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. In **2011/12** the Council received the 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 has a wide and varied strategic housing responsibility and has identified, through the Housing Strategy five key priorities:
- Provision of affordable housing
 - Tackling homelessness
 - Private sector renewals and energy efficiency
 - Assisting vulnerable households
 - Addressing crime reduction.

The Housing Strategy identifies means, outside the Capital Plan, by which the Council seeks to identify new funding opportunities for meeting these priorities and to support Registered Social Landlord (RSL) partners in accessing resources for new development and other initiatives. Details of the Council's housing investment priorities can be found in its Housing Strategy 2009-2012 which is part of the Sustainable Community Strategy and is published on the Council's website: <http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=461>.

- 2.6 Government support to the Council in terms of Capital funding 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 instead receive a DFG allocation without a specified requirement to match this funding. For **2011/12** the DFG allocation is £410,000.

- 2.7 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 is led by the Borough Council, were awarded £9.75 million by the South East Regional Housing Board in 2008 to improve private sector housing over the three years to 2011. £1.62 million of this award has been allocated to Tonbridge & Malling
- 2.8 The potential for generating future capital receipts is limited. 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.
- 2.9 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.
- 2.10 The Council considers the scope for achieving its investment priorities through the Private Finance Initiative is limited but will continue to monitor the situation.
- 2.11 The Revenue Reserve for Capital Schemes (RRCS) contains funds the Borough Council has previously put aside from revenue to fund capital expenditure. This reserve provides the main source of funding for existing and any new schemes that are introduced into the Capital Plan.
- 2.12 The reserve is **generally** topped up annually by a revenue contribution as part of the Council's budget setting process. That top-up is intended to contribute sufficient new funds to meet the cost of replacing existing plant and equipment as it reaches the end of its useful life as well as providing money for the non-grant funded element of statutory services such as Disabled Facilities Grants. Clearly, replacement of life expired assets such as IT and the equipment used in our leisure facilities and elsewhere is essential to enable the Council to continue to deliver services.

2.13 The 2008/09 original estimates made provision for a contribution to the RRCS of £450,000 which represents approximately one third of the Council's long term capital renewals and other annually recurring expenditure. As part of a package of measures to address the significant financial pressures facing the Council, Members agreed as part of the budget setting process for 2009/10 to temporarily suspend the RRCS annual top-up (Finance and Property Advisory Board 7 January 2009, Policy Overview Committee 16 January 2009 and Cabinet 4 February 2009). Agreement to that suspension was predicated on :

- Deleting / scaling back existing approved capital budget provision where feasible
- Limiting budget provision for new additions to the Capital Plan to no more than £600,000 in any one year, and
- Re-introducing the RRCS annual top-up within a reasonable time frame and increasing the annual contribution over time to a level sufficient to meet capital renewals and other annually recurring expenditure, currently £1.5m pa.

2.14 The RRCS balance at 31 March **2011** was **£11.14m**. The annual limit on new additions to the Capital Plan and commitment to re-introduce and increase the annual RRCS contribution over time will enable the authority to support new investment, without recourse to borrowing, throughout the life of the current approved Capital Plan ending in **2016/17**.

2.15 The annual limit on new additions to the Capital Plan and the annual RRCS contribution figures will be reviewed as part of each year's revenue and capital budget setting process. In setting the budget for **2011/12** Members agreed the annual limit for new schemes **at £350,000 per annum**.

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).

3.2 The Prudential Code also requires that the CIPFA Code of Practice for Treasury Management in the Public Services is adopted. The Code of Practice adopted by Council on 30 September 2003 was revised during 2009. The revised Code of Practice underpins the Council's Treasury

Management Strategy Statement and Annual Investment Strategy for **2011/12** adopted by Council on **17 February 2011**.

- 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 **2011/12**. All government support for the Council's capital expenditure in **2011/12** 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 **Leigh Road land drainage scheme in Hildenborough** 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 2.6 and 2.7, capital grants will be made available in **2011/12** 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.
- 3.7 Another key element of the legislative framework is the duty to **secure economy, efficiency and effectiveness in the Council's use of resources**. **Achieving value for money** 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.

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 includes cross-cutting themes such as public access and involvement, public and environmental health, community safety, local economy, climate change, and community leadership. The latest plan is published on the Council's website: <http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1096>
- 4.2 **Until very recently** the Council has **had** a Residents Panel of 1,300+ members to provide feedback on Council priorities, services and performance. The first panel was established in 2000. Panel members were residents aged 16 years (+) from across the borough and from all walks of life. A number of surveys, the latest in summer 2008, have sought residents' views on quality of life and priorities for improvement. These views have demonstrated that the Council's key priorities are in line with public opinion.
- 4.3 Amongst the CA&P the Council has selected a number of **key** priorities on which to focus. These are:
- Manage the Council's financial resources and performance to meet the challenges of the **national budget strategy** and its impact on public finances.
 - Promote and support the sustainable regeneration and economic development of Tonbridge town centre.
 - Secure a continuing supply of affordable housing across all tenures and work to prevent homelessness.
 - Involve, safeguard and meet the needs of children and young people.
 - Achieve a cleaner, smarter and better maintained street scene and open space environment.
 - Work with partners to:
 - Reduce crime, anti-social behaviour and the fear of crime.
 - Promote, encourage and provide opportunities for healthy living.
 - Make a positive local contribution to tackling the causes and effects of climate change.
 - Achieve further shared priorities to improve residents' quality of life in Tonbridge and Malling.
- 4.4 As well as the key priorities there is also a range of service priorities which are cascaded 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, the installation of a new children's play area at Leybourne Lakes Country Park 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. This demonstrates 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 for the capital strategy from those, such as the Tonbridge and Malling Local Strategic Partnership, the West Kent Partnership and the Community Safety Partnership which help shape policy objectives and 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 third sustainable community strategy for Tonbridge and Malling entitled 'Serving You Better' was adopted in November 2009 covering the three year period to 2012. Based on extensive community consultation, in liaison with the Local Strategic 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, 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/Community_Strategy/Final_SCS_09_12.pdf

5.6 Procurement Strategy

Corporate policies on procurement are detailed in the **updated** Procurement Strategy approved by Cabinet on **30 March 2011**. 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. The principles enshrined in the Procurement Strategy underpin the implementation of the Capital Strategy.

5.8 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 significant focus over recent years has been on implementing a Parking Action Plan. This involves setting up Local

Parking Plans to manage and balance competing needs in particular areas after a careful process of consultation with the local community. Another example is the investment in green waste collection from domestic properties for centralised composting to reduce the volumes entering the waste stream.

5.9 Support for Local Priorities

The Borough Council has been consistently investing in its car parks to support the local economy through a phased programme of improvements. Following success in achieving a major capital project to provide flood mitigation in East Peckham, the Council has formed a further partnership including the Environment Agency, County, Borough and Parish Councils and a local resident flood group to alleviate some long standing flooding problems connected with the Aylesford Stream. This has become all the more urgent because there have been several flooding events that threatened residential properties over the past **few** years.

5.10 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. Recent examples include a new children's play area at Leybourne Lakes Country Park (funded in full from external grants and developer contributions) and the provision of an all-weather pitch with community use at Tonbridge Private School (funded in full by the School and the Council, with the Council's funding secured by developer contributions).

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. ***In 2009/10 and 2010/11 development contributions funded a significant upgrading and improvement of the Racecourse Sportsground.***

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. 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. ***It is likely to focus on a new Community Infrastructure Levy and the Borough Council will be assessing how best to address this when the details are clarified by central Government.***

5.11 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.

5.12 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.

5.13 ***Value for Money***

Each year as part of the Annual Governance Report the Council's external auditor will express an opinion on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Those arrangements amongst others will include:

- ***Planning finances effectively to deliver strategic priorities and secure sound financial health***
- ***Having a sound understanding of costs and performance and achieving efficiencies in activities***
- ***Commissioning and buying quality services and supplies that are tailored to local needs and deliver sustainable outcomes and value for money***
- ***Producing relevant and reliable data and information to support decision making and managing performance***
- ***Managing assets effectively to help deliver strategic priorities and service needs.***

All of the Capital Plan processes from identification and selection of schemes, through implementation to subsequent review of completed schemes can contribute to achieving value for money.

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 **self service, particularly via the website**.

5.15 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/exec/Climate Change Strategy.pdf](http://www.tmbc.gov.uk/assets/exec/Climate%20Change%20Strategy.pdf). With the assistance of the Carbon Trust, energy usage and conservation of energy within all council buildings has been examined and capital investment has been 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 The Tonbridge and Malling Local Strategic Partnership

This new partnership was launched in 2008 following a review of the role and remit of the West Kent Partnership. That review concluded that each of the three West Kent Districts should have their own district based LSP, leaving the West Kent Partnership to focus on issues of concern that were relevant to all three district areas including economic development and transport.

The Tonbridge and Malling LSP is now well established and has attracted a high level of representation from the public, private, voluntary and faith sectors. Its early work has focused on the review of the Sustainable Community Strategy, developing a local action plan for the Second Kent Agreement and focusing discussions on key issues of concern locally such as older people's services, affordable housing, public health and anti terrorism policies. It has also sought to distribute funding made available from the Kent Partnership received as performance reward grant following completion of the first Kent Agreement (LAA). This has included the provision of some capital

grants to assist with projects being developed by partners including the voluntary sector.

6.2 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, the FE Education Sector, Registered Social Landlords and other Social Housing Providers, Kent Association of Parish Councils, transport providers 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 and has recently adopted a new economic investment strategy for the West Kent area. The Partnership has also led a successful bid for Leader funding to support the rural economy and a total of £1.6 million has been allocated to the area to support farming, forestry and rural businesses over the next five years.

6.3 Transportation Partnership

The Borough Council has consistently sought to influence the quality of transportation services in this area and the amounts invested in them by the relevant authorities. These authorities include the local highway authority, Kent County Council, the strategic road network authority, the Highways Agency and the rail industry.

The member-level manifestation of this is the Joint Transportation Board, comprising equal numbers of Borough and County Councillors guiding decision making on local traffic and highway matters. This is supported by joint working at officer level focussing on initiatives such as the Medway Valley Sustainable Transport Strategy. This strategy underpins and provides a framework for over £10M of contributions from various strategic development sites in the north of the Borough to fund elements of the strategy. These include the provision of service enhancements along the A20 corridor to make public transport more attractive and convenient for passengers.

A parallel component of the strategy is the planned remodelling of the West Malling Station forecourt to radically improve multi-modal access to the station, including safe pedestrian access to the station building from nearby car parks, bus stops and non-motorised routes; access arrangements and layover space for

buses and taxis; and 'kiss-and-ride' facilities. A partnership team including representatives from KCC, TMBC, Southeastern, Network Rail and local bus companies has been working to promote this project. A brief funded from a budget of £50k from the County Council's Local Transport Plan was agreed and issued at the end of 2011 with a view to carrying out the work, funding permitting, during 2012/13.

The MVSTS and the schedule of works associated with it represent a complex series of planning obligations and funding 'trigger points' requiring careful 'ring-mastering' to provide the necessary coordination and structure for implementation. The partnership is working to provide this role.

This partnership also contributed to achieving the Tonbridge Central Area Action Plan, mentioned later, and its integral transportation strategy for the town centre.

6.4 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. At East Malling, the Council has supported the conversion of a former school to a much needed community centre using capital investment. The centre is now operational and will act as a hub for the provision of services to the most deprived community in the Borough.

6.5 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/CrimeAndDisorder/Final Strategy and Action Plan.pdf](http://tmbc.gov.uk/assets/CrimeAndDisorder/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/cqi-bin/buildpage.pl?mysql=1263>

Linked to the Sustainable 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 **incorporating a transportation strategy for the town centre**. 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 with J Sainsbury Plc have taken place to design and deliver the redevelopment of the Botany Area with a comprehensive mixed use scheme. This is expected to attract a significant number of new retailers and add to the economic vitality of the town, improve public spaces and make a major contribution to the overall regeneration of Tonbridge. Inevitably the project has not advanced over the past **couple of years owing** to general market conditions but the Council remains committed to pursuing a scheme when economic conditions improve.

In the meantime, the Borough Council is promoting an enhancement scheme at Town Lock, as a precursor to the wider town centre initiative embodied in the local Action Plan. This is a partnership scheme with the Environment Agency to deal with an 'eye-sore' area in the heart of the town on the bank of the River Medway and is also supported by funding contributions from developments in the area.

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 **£215,000 on a range of initiatives across the Borough** in conjunction with the County Council.

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 and impact on capital renewals provisions.
 - 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 Overview **and Scrutiny** 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 Sustainable 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. 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 Overview **and Scrutiny** 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 seven-year period (current financial year + six).

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 annually to the July meeting of the Finance and Property Advisory Board.

Relevant documents:	
These documents can be found on the Council's website or elsewhere. Please click on the links shown.	
Capital Plan:	http://www.tmbc.gov.uk/assets/finance/Detailed_Budget_2011_2012.pdf
The Medium Term Financial Strategy:	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3001
Housing Strategy 2009-2012 (part of the Sustainable Community Strategy):	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=461
CIPFA Prudential Code	http://www.cipfa.org.uk/pt/prudential_framework.cfm
Corporate Performance Plan (Spotlight):	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1096
Residents' Panel:	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=388
Sustainable Community Strategy:	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=461
Local Development Framework Core Strategy	http://www.tmbc.gov.uk/assets/planning_policy/LDF/CS_Adoption/Core_Strategy.pdf
Procurement Strategy	http://www.tmbc.gov.uk/assets/publications/StrategicProcurement_final.pdf
Implementing Electronic Government:	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=360
Climate Change Strategy	http://www.tmbc.gov.uk/assets/exec/Climate_Change_Strategy.pdf
Local Strategic Partnership	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3416
West Kent Partnership:	http://www.westkentpartnership.org.uk/
Snodland Partnership:	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=408
Community Safety Partnership Strategy	http://www.tmbc.gov.uk/assets/CrimeAndDisorder/Final_Strategy_and_Action_Plan.pdf
Valley of Visions Partnership	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=1263
Leisure and Arts Strategy 2008 - 2013	http://www.tmbc.gov.uk/cgi-bin/buildpage.pl?mysql=3332