

CAPITAL STRATEGIES: ASSESSMENT CRITERIA

Primary Requirements

- Does the Strategy feature all key aspects of capital expenditure for the authority?
 - Does it demonstrate that a framework for the managing and monitoring of the capital programme has been set up?
 - Is the approach to prioritising investment explained?
 - Is the Capital Strategy consistent in its approach with the approach in other plans and documentation, where submitted? (E.g. AMP document, AMP for the Schools Estate, Social Services strategies, LTPs, BV Reviews, Regeneration plans, HiP)
 - Does the Strategy demonstrate that a corporate approach has been taken?
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Secondary Requirements

General Content

- Are the revenue implications of capital investment taken into account, where significant?
- Does the Strategy set out sufficient information to inform bidding for additional capital resources?
- Does it outline the council's approach to PPP/PFI?
- Does it address corporate policies on procurement strategies as envisaged in best value guidance (e.g. in the report of the Construction Task Force, chaired by Sir John Egan)?
- Has the council explained how it will monitor and evaluate progress?
- Does the strategy extend to areas where the authority is able to apply significant influence on others through use of its capital resources?

Partnership

- Are key partners listed and activities involving partnership working described?
- Are examples given of steps taken to work with other councils or authorities?
- Is there evidence that various partnership options have been considered and new ones are being considered?

Consultation

- Are details included of the existing consultation process?
- Is there evidence of a commitment to future consultation?
- Is the Community Plan consistent with the Capital Strategy and do these documents feed into and from each other?
- Are there details of any action taken in response to consultation?

Performance Measurement

- Are corporate performance measures in place?

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- Does the strategy cover the performance of capital projects and the influence of grants and partnerships?
- Are the results of performance measurement communicated to Stakeholders?
- Are benchmarking activities taking place?
- Are the results of performance measurement and benchmarking exercises being used to seek service improvements and target service delivery?
- Is there any evidence of innovation, for example in the use of new technology?

Crosscutting Activity

- Is there council-wide crosscutting action being taken and a corporate approach adopted, with partners, to relevant issues?
- Is a corporate approach being taken to regeneration and sustainable development?
- Are the results of consultation and best value reviews used to inform crosscutting action?

ASSET MANAGEMENT PLANS

Primary Requirements

Corporate Property Officer (CPO)

- a Corporate Property Officer (CPO) has been identified with authority to undertake all required developments in asset management
- roles and responsibilities for CPO clearly set out, explicit and have been communicated to all those concerned, in property management and use, throughout the authority.
- the CPO reports and is accountable to a strategic, decision-making group

Corporate team set up for asset management

- clear evidence has been provided that a cross-service, senior management forum has been set up which includes the CPO and representatives from major services and the finance directorate
- it has formal terms of reference and is able to refer to representatives of all internal stakeholders to act as the consultation and contact point for the advancement of improved asset management in the authority.

Collation of property data

- CPO has ensured that a record is held of basic data on all the Council's property
- the validity of this information has been tested

Regular report on property performance

- CPO has submitted to Members and Chief Officers a report on the performance of the property estate and has in place a cycle to update this at regular intervals

Adoption of pPIs

- CPO has submitted a report to Members and Chief Officers on the collection and future use of the five DETR pPIs.

Condition survey

- CPO has completed a basic condition survey (condition categories: A-D/1-4) and has collected data on maintenance backlogs.
- Statistical information on maintenance backlog has been provided to DETR.

Secondary Requirements

Work of the cross-service senior management forum

Evidence that a cross-service, senior management forum has:-

- considered the corporate property strategy
- reported to Members and Chief Officers
- made recommendations that have been acted upon and built into a review process
- considered stakeholder satisfaction information and reported any actual changes in asset use as a result of stakeholder consultation

Assessment of maintenance backlog

- written report produced for Members and Chief Officers on backlog using the information provided by condition survey and other relevant sources.
- CPO is extending and refining the survey process to build in "suitability" as well as "condition"

Property data requirements

CPO has:-

- undertaken a full survey of future data requirements for the property portfolio
- identified future needs, including the achievement of government e-service requirements
- identified a programme of necessary improvements
- commenced development of a data system for "intermediate" data (i.e. property data which requires updating from time to time such as condition, rents and user details)
- implemented Unique Property Reference number (UPRN) system or set out detailed reasons why it is not considered appropriate.
- undertaken a review of training needs for users of the data and set in place a system for satisfying those needs.

Co-ordination with council objectives and other initiatives

CPO has:-

- identified implications for property arising from Council objectives and Best Value and Community Plans
- evaluated the implications, prepared and delivered a report to Chief Officers on them
- produced a report, submitted to all Chief Officers, on corporate use of the property portfolio
- considered and where appropriate implemented property aspects of past internal and external audit reviews
- put in place a systematic programme of action as a result of this process

Cross-service aspects

CPO has:-

- provided evidence that AMP is informed by and supports other key corporate plans and objectives
- obtained relevant member approval in support of the corporate property strategy

- provided evidence of detailed liaison between all service departments to enhance corporate service delivery
- used property data to report to all relevant services on property performance

Performance Measurement

- clear evidence that CPO is developing a set of local performance measures in relation to asset use
- performance measures that link asset use to corporate goals
- a system for review of the achievement from the measures
- process to ensure continuous improvement.
- evidence of measurement of user satisfaction with asset.

Service asset management planning

- CPO has provided evidence of service asset management planning
- Service-wide understanding of corporate ownership of assets is demonstrated
- cross service use of assets is being addressed and developed

Option appraisal and prioritisation

- CPO is developing an explicit methodology for option appraisal and corporate prioritising between projects
- the system is already in place and is being fully utilised or is being developed and put in place with a date set for full implementation
- Council has reviewed projects already being developed against authority objectives and priorities

Surplus Property

- CPO has provided detailed evidence of a systematic approach to identifying, and then utilising or disposing of, surplus assets across the property portfolio.
- Local Performance Indicators in place for assessing amount of surplus property
- National pPis used to collect and assess information on surplus property.
- Consideration of shared / cross service use of property declared surplus

Capital Programme

- Responsibility for monitoring and development of capital programme allocated to cross-service senior management group
- 3-5 year capital programme developed with forecast of (range of) capital receipts
- Output/outcome targets set that are dependant on capital investment
- Member involvement in drawing up the capital programme.
- Members informed, at least quarterly, of progress and performance of capital programme

SERVICE ASSESSMENTS**Individual Service Assessments**

1. Each LA to be graded on service performance in each of the four services covered by the Single Capital Pot (SCP) – transport, housing, education and social services.
2. The grading will be on a 5-point scale. Transport performance will be based on LA's LTPs and Annual Progress Reports, Housing performance on Housing Strategies and Business Plans, Education on the School AMPs and Social Services on the way social services issues are dealt with in Capital Strategies
3. Scores will be allocated as follows:-

Well below average	0
Below average	1
Average	2
Above average	3
Well above average	4

Grouping the Assessments for each LA

4. When the assessments are combined to provide an overall assessment for an LA, the services will be weighted to reflect the relative size of SCP contributions (rounded to nearest £100M) as follows:-

Transport	2.75
Housing	2.00
Education	1.00
Social Services	0.25
	<u>6.00</u>

5. The total score for an LA will be the sum of the service weighting multiplied by the performance score for each service delivered by the LA. (Note: Unitaries, London Boroughs and Mets will cover all four services; counties will cover all except Housing and District Councils will cover Housing only.) For example:

Unitary A	Grade	Multiply by weighting	Total Score
Transport	3	2.75	8.25
Housing	4	2.0	8.00
Education	2	1.0	2.00
Social Services	2	0.25	0.50
Total			18.75

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6. This total score will then be translated into an overall assessment by dividing the maximum totals for each type of authority into five equal slices as follows:-

	<u>RANGE</u>	<u>WELL BELOW AVERAGE</u>	<u>BELOW</u>	<u>AVERAGE</u>	<u>ABOVE</u>	<u>WELL ABOVE</u>
Unitary, LB, Met	0 to 24	0.0 to 4.8	4.9 to 9.6	9.7 to 14.4	14.5 to 19.2	19.3 to 24.0
County Council	0 to 16	0.0 to 3.2	3.3 to 6.4	6.5 to 9.6	9.7 to 12.8	12.9 to 16.0
District Council	0 to 8	0.0 to 1.6	1.7 to 3.2	3.3 to 4.8	4.9 to 6.4	6.5 to 8.0

The Unitary Authority in the example in para 5 scored 18.75, which would achieve a rating of “above average”.

7. The ratings are then converted back to the simple values (0,1,2,3 & 4) for calculation of the “reward” which will be related to the 95% needs allocation already made.
8. The needs allocation (before RTIA adjustment) will be multiplied by the overall score to provide a figure representing each authority’s share of the reward. The amount of reward, after deducting the lump sums for Capital Strategies and AMPs, will be allocated pro rata to these shares.
9. To ensure that the overall assessment of service performance does not produce less reward than equivalent assessments for capital strategies and AMPs, “floors” are proposed, which would be the minimum payable for particular assessments, as follows:-

<u>Overall assessment</u>	<u>Minimum payment</u>
Well above average	£100,000
Above average	£75,000
Average	£50,000
Below average	£25,000
Well below average	£0

The Unitary Authority in the example in para 5, rated as “above average”, can therefore expect to receive a minimum of £75,000 based on service performance.

MEDIUM TERM CAPITAL PROGRAMME

Potential Capital Schemes	Expenditure in Prior Years £000s	2000/01 £000s	2001/02 £000s	2002/03 £000s	2003/04 £000s	Total 2000/01 to 2003/04 £000s
Deal Dry Side	49	116	1,235	0	0	1,351
Kearsney Abbey		0	250	0	0	250
Kingsdown Sea Defences		0	200	1,598	0	1,798
Footway Lighting (new)	75	70	80	75	0	225
Single Regeneration Budget (SRB III)		0	100	50	0	150
Youth Spaces	33	14	138	0	0	152
Beach Response Management	73	24	50	70	0	144
Oldstairs Bay, Kingsdown		218	1,586	0	0	1,804
Single Regeneration Budget (SRB V)		0	98	98	0	196
Grand Shaft Site	73	243	23	0	0	266
Renovation Grants		936	700	700	700	3,036
Housing Revenue Account Schemes		1,532	3,128	3,000	3,000	10,660
Cabing at Whitfield Offices	80	312	21	0	0	333
Deal Pier - Contribution		0	0	300	600	900
Dover Town Hall - Contribution		0	0	300	0	300
Community Grants	702	167	299	100	100	666
Other Schemes (per schedule)		52	156	0	0	208
Sub-Total		3,684	8,064	6,291	4,400	22,439
Unallocated Resources		0	458	500	500	1,458
Total		3,684	8,522	6,791	4,900	23,897
Potential Financial Resourcing		£000s	£000s	£000s	£000s	£000s
Basic Credit Approval		2,773	1,230	1,275	1,275	6,553
Supplementary Credit Approvals		121	1,044	751	0	1,916
Direct Revenue Financing (HRA)		268	100	0	0	368
Major Repairs Allowance		0	3,028	3,000	3,000	9,028
Capital Receipts		22	1,328	250	250	1,850
Grants (including MAFF)		391	1,764	917	0	3,072
Disabled Facilities Grants (SCG)		128	163	150	150	591
Outstanding Creditors		-19	-303	0	0	-322
Capital and Special Projects Reserve		0	0	448	225	673
Other Reserves		0	168	0	0	168
Total		3,684	8,522	6,791	4,900	23,897

Notes

- (a) The table above represents an indicative programme of capital expenditure proposed across a four-year period. It does not confer expenditure approval. All capital schemes are subject to completion of a full capital appraisal and specific approval by Policy and Services Committee.
- (b) Schemes applicable to the Housing Revenue Account are subject to a separate allocation process and are not currently scheduled in the above programme.
- (c) Implementation of the full programme is dependent upon resources being available as projected. No guarantees for future years resources can be given at this stage. Similarly, alternative priorities may need to met in place of those schemes shown in the above programme.