

# 1 Introduction of the Capital Strategy

## 1.1 Vision and Statement of Aims

Gateshead today is an exciting and vibrant place whose residents have a strong sense of pride in their local area and high aspirations for the future. Our shared vision for Gateshead is set out in 'Vision 2030', Gateshead's Sustainable Community Strategy which was developed by the Gateshead Strategic Partnership in the light of extensive community consultation. It outlines our collective aims and priorities for the future.

**“Local people realising their full potential, enjoying the best quality of life in a healthy, equal, safe, prosperous and sustainable Gateshead.”**

Vision 2030 is underpinned by 6 'Big Ideas' which form the basis of our plans and policies over the next 20 years. These are:

- **City of Gateshead**

City of Gateshead is not just about achieving city status. It is about achieving the qualities of great cities around the world in terms of design, growth, natural resources, people and culture – a diverse city with a larger population.

- **Gateshead goes Global**

Gateshead goes Global seeks to maximise the opportunities of globalisation for local benefit and reward, and to recognise our role in the international community. This is a particular objective of our young residents who wish to have global opportunities to share cultures, experiences and learn.

- **Creative Gateshead**

Creative Gateshead is about investing in our heritage and our people and ensuring creativity runs through everything we do. It's about giving local people the chance to enjoy a variety of creative experiences and opportunities that improve their quality of life as well as the look and feel of the borough.

- **Sustainable Gateshead**

Sustainable Gateshead is about looking at how we live, travel, use our resources and energy. It's about ensuring a sound future for Gateshead based on economic prosperity and environmental sustainability.

- **Active and Healthy Gateshead**

We want Gateshead to have the healthiest communities in the country.

- **Gateshead Volunteers**

Gateshead Volunteers is about involving more local people in their community in a way that benefits them and their community. We want Gateshead to be known as the volunteering capital of the UK.

In working towards this Vision for Gateshead the Council has made three promises in its Corporate Plan:

- Making Gateshead a better place
- Listening to local people
- Delivering excellent services

Strategically, the Council aims to create the economic and social circumstances within Gateshead that will make the Borough a better place in which more people will want to live, work and visit. This means more jobs, a clean and safe environment, decent housing, good schools and learning opportunities, a range of cultural facilities, improved transport links and a good social support network.

## **1.2 Objectives of the Capital Strategy**

The Capital Strategy has been developed as a key policy document that determines the Council's approach to capital investment. Its linkages with Vision 2030, the Gateshead Agreement and the Corporate Plan are clear in that capital investment will support our work towards achieving the outcomes of Vision 2030.

The main objectives of the Capital Strategy are: -

- To ensure that capital investment and the management of resources contribute fully to the achievement of Vision 2030, the Gateshead Agreement and the Council's priorities set out in its Corporate Plan 2007-2010.
- To provide a framework for the development of the Council's Asset Management Plan.
- To ensure efficient use of limited resources and assets.
- To provide a framework for the management and monitoring of the Capital Programme.
- To support the development of partnership approaches to cross cutting issues.
- To target capital resources effectively to areas of highest need.

The efficient and effective use of capital resources, including sound asset management, is fundamental to the Council achieving its long and medium term aims and objectives. It is also critical to key pieces of work, such as the

Community Centre Review, the Office Accommodation Review, Area Reviews and the Efficiency and Value for Money Review generally.

This Capital Strategy together with the Corporate Asset Strategy and Management Plan will ensure efficient and effective capital planning and management of capital resources. Both documents are examples of corporate working within the Council, since they have been developed by its Corporate Asset Management Group, chaired by the Corporate Property Officer, with its membership drawn from across the Council's strategic groups.

### 1.3 Capital Expenditure Requirements

For operational purposes, capital expenditure is mainly split between:

- Capital projects funded from borrowing, either borrowing approval from Central Government or prudential borrowing
- Capital projects funded mainly from a variety of grant regimes, for example, Housing Market Renewal (HMR), Single Programme, Lottery and European Funding
- Capital projects funded mainly from capital receipts.

All three programmes run in parallel and are interlinked to achieve corporate objectives and to make the best use of capital resources.

Capital expenditure of local authorities is regulated by legislation. Currently, capital expenditure is funded from borrowing, largely through Supported Capital Expenditure allocations granted by Central Government, and from a wide variety of grants. It can also be financed through income generated from the sale of assets, third party contributions and revenue resources. In general, capital receipts from the sale of assets are treated corporately to allow the Council to target resources towards the highest priority projects. Actual capital expenditure within the Council's Capital Programme for 2008/09 was £137.714m, financed as follows:

|  | <b>£m</b>             |
|--|-----------------------|
| Supported Borrowing                    | 49.365                |
| Prudential Borrowing                   | 18.100                |
| Capital Receipts                       | 11.139                |
| Capital Grants and Other Contributions | 39.977                |
| Major Repair Allowance                 | 17.979                |
| Revenue Contributions                  | 1.154                 |
| <b>Total</b>                           | <b><u>137.714</u></b> |

The Capital Programme for 2009/10 was set at an estimated level of £163.077m. The programmes for 2010/11 and 2011/12 reflect earlier commitments and have been set at £141.891m and £76.413m respectively. Schemes will be added in accordance with the Capital Strategy and Asset Management Plan as additional resources are confirmed. A summary of the

agreed three year programme is included in the Council's 2009/10 budget plan.

The Prudential System of Local Government Capital Finance has operated since April 2004, which allows local authorities to invest as long as their capital spending plans are affordable, prudent and sustainable. The level of prudential borrowing, which can be supported is dependent on the availability of revenue resources. The affordability issue is addressed in the principles underpinning the Council's Medium Term Financial Strategy and controlled through Prudential Indicators agreed annually by Council.

## **2 The Planning Framework**

### **2.1 Policy and Service Planning**

The Policy and Service Planning Cycle is the process which transforms the Council's overall policy priorities into action. The five stages of the Policy and Service Planning Cycle are:

- Policy review.
- Performance review.
- Consultation.
- Developing policy priorities and service plans.
- Setting the budget (Revenue and Capital).

### **2.2 Corporate Strategies and Action Plans**

Service plans are prepared for each service area, identifying their contribution to the Council's priorities, as well as other key issues. A hierarchy is evident:

- **Vision 2030** – Gateshead's Sustainable Community Strategy forms the heart of Gateshead Strategic Partnership's 'Vision 2030', which outlines Gateshead's collective aspirations over the next 20 years.
- **The Gateshead Agreement** – Delivering Vision 2030, Gateshead's Local Area Agreement 2008-11 – sets out the most important priorities for improvement for Gateshead to ensure that we deliver Vision 2030.
- **Corporate Plan** - sets out Gateshead Council's priorities in working towards Vision 2030. The plan also identifies the Council's corporate values and improvement targets for a three year period (2007-2010).
- **Service Plans** - are formulated showing how each service area contributes to achieving the Council's policy priorities. These show, in detail, how service teams and individual officers will achieve their service delivery targets.

A number of statutory plans and other strategies are prepared to inform service delivery arrangements. These complement the Capital Strategy by reflecting the importance of capital investment within different policy contexts thereby forming an integral part of the planning process.

These include:

- The **Corporate Asset Strategy and Management Plan** - which details existing asset management arrangements and outcomes and planned action to improve asset use.
- The **Schools Asset Management Plan** - which contains key data to enable investment appraisals, and the approach to balancing initial capital investments against running costs, to enable the most appropriate decisions to be taken when evaluating identified problems and establishing long-term strategies.
- The **Local Transport Plan** - which reflects a joint approach to transport needs in Tyne and Wear. It also addresses needs specific to Gateshead. Capital needs and the approach to investment are shaped by an indicative breakdown between maintenance and integrated transport themes.
- The **Highways Asset Management Plan**- which aims to facilitate the development and improvement of the way in which highway maintenance and management functions are carried out. This will assist in the optimal allocation of resources.
- The **Housing Strategy** – which sets out the long term vision for housing. The aim of the strategy is to ensure Gateshead continues to provide good quality affordable homes and housing services that meet the needs and aspirations of the local people.
- The **Municipal Waste Strategy** for Gateshead – which reflects the statutory recycling and composting targets that need to be achieved.
- The **ICT Strategy “Connected Gateshead”** – which sets out how we intend to maximise the opportunities offered by new ICT to enable us to deliver better services and achieve transformational change.

For cross cutting initiatives such as housing market renewal and neighbourhood renewal, well established officer teams and community partnerships have responsibility for consulting, planning, prioritising, managing, and co-ordinating a Borough wide approach.

### 2.3 Asset Management Review

As part of the Council's agreed cross cutting efficiency reviews, a review of all assets is being carried out. This will be undertaken through a rolling programme of manageable and detailed reviews, which will take a number of forms including corporate based, service based, area based or by specific building type. This involves challenging the current use of assets to ensure they meet customer and business needs and encouraging services to consider alternative means of service delivery. It is clear that the drive must be towards a more efficient use of the property portfolio. Major investment into the expansion of the property portfolio will be funded by central government initiatives (PFI, BSF etc), through a partnership arrangement or by the use of capital resources. We need to look at ways in which we can make more of our existing portfolio whilst disposing of those assets which do not meet an operational need or fail to meet the necessary performance criteria. The implications of the Asset Review for the Capital Strategy are therefore the

potential future capital investment needs in property on an 'Invest to Save' basis.

A spaces strategy has been developed to maximise the utilisation of accommodation in the Civic Centre, which will have implications for the Capital Strategy in terms of capital investment needs.

As part of the Asset Review, the Council has undertaken a review of its Community Centres. The Capital Programme includes £3m to implement the review and the first phase is currently underway, which will bring the centres up to a reasonable standard.

## **2.4 Prioritising investment**

Capital project proposals and an agreed Capital Programme are developed from Service Plans and are incorporated in the Policy and Service Planning Cycle.

As part of this process, capital proposals are invited from service providers and various options are determined and appraised. Proposals are developed further by Group and Strategic Directors in consultation with the Cabinet member responsible for the relevant policy area. To strengthen this process and to enable more effective evaluation of capital proposals the capital needs proposal forms have been significantly revised. The resulting bidding packs require the following basic information for each project:

- The project description, including details of outputs / impact.
- Total cost and phasing of the expenditure.
- Details of policy priorities to be addressed.
- Area and wards which will benefit.
- Specific capital resources available and capital resources required over the life of the project.
- Ongoing revenue implications.
- VAT implications.
- Whole life costing considerations.
- Disposal options within the process.
- Health Impact Assessment
- Equalities Impact Needs Assessment
- Environmental and Sustainability Impact

In addition, to assist in the evaluation process it is also necessary to identify how the project:

- Meets the corporate objectives of Vision 2030, the Gateshead Agreement and the Corporate Plan.
- Complies with Government initiatives.
- Meets recommendations from service improvement reviews.
- Secures funding from outside Supported Capital Expenditure.
- Contributes to the corporate priority of a sustainable Gateshead.

- Meets the objectives contained within the completed Business Plan.
- Contributes to Efficiency savings.
- Meets outputs and output timescales.
- Considers option appraisal.
- Considers risk management.

The capital resources calculation for the next three financial years takes account of the Council's agreed policy for prioritising capital proposals. Priority is given to schemes that:

- Are consistent with Vision 2030 and priorities agreed in the Council's Corporate Plan.
- Allow spending in accordance with Government funding allocations and specific resources.
- Relate to commitments from previous years.
- Address strategic maintenance needs of existing assets from the Asset Management Plan.
- Assist the maintenance of existing service provision.
- Maximise the availability of external funding for priority issues to enhance value for money.
- Meet mandatory and/or statutory requirements.

As one of the policy criteria relates to spending to Government funding allocations, resources are targeted at specific priorities identified in service specific plans.

The revenue implications of all capital proposals are considered in setting the revenue budget during the Policy and Service Planning Cycle and funding for any revenue implications must be secured before the capital proposals are considered for approval.

In February the Council considers all capital bids against available resources and a three year rolling programme is agreed, taking into account a number of factors including the evaluation criteria outlined above, the priority order of the project proposals, whether the projects will complement other initiatives such as cross cutting strategies or whether the project could form part of another bidding regime.

The Council has established a 'development pool' to provide resources, for example, for 'invest to save' projects including the Building an Active Future Programme, which requires £29m of investment over a three year period.

In conjunction with this process of prioritising expenditure proposals, it is necessary to ensure there is a clear process for identifying resources. Wherever possible, external funding opportunities are maximised where these reflect Council priorities. However, it is also necessary to develop a programme of disposals of appropriate Council land and buildings. To achieve this objective, the Group Director, Development and Enterprise, develops a three year programme of disposals on an annual basis for

consideration by the Corporate Asset Management Group. This programme of disposals is then used in complementing other resources in determining the Council's three year Capital Programme. The current economic situation is having a major impact upon this programme of disposals. There is difficulty in disposing of properties for their full market value and there has been reduced demand for development land. The impact upon the level of resources available to fund the capital programme will be considered as part of the Medium Term Financial Strategy.

This process also highlights those sites where it might be in the Council's best interests to dispose of certain sites at less than market value and to enable these to be assessed against the Council's priorities. The Council has introduced a procedure for dealing with less than market value disposals outside of the capital bid process to ensure that any forgone capital receipt is considered in the light of other Council priorities.

To manage the impact of the economic downturn the Council has approved a £200m 10 Point Plan for economic resilience. The key measures outlined in the plan will have an impact upon the way in which capital investment is prioritised and managed.

### **3 Procurement**

#### **3.1 Procurement Strategy**

Procurement has been the focus of several major reports in recent years. These include:

- The Audit Commission report on Competitive Procurement.
- The Egan Report 'Rethinking Construction'.
- The Byatt Report 'Delivering Better Services for Citizens'.
- 'Procurement Essentials' published by IDeA.
- The Department of Communities and Local Government and Local Government Association's 'National Procurement Strategy for Local Government'.
- Delivering Efficiency in Local Services
- The Code of Practice on Workforce Matters in Local Authority Service Contracts
- Staff Transfers in the Public Sector – A Statement of Practice

Effective procurement continues to be central to an effective Capital Strategy and the implementation of the revised Corporate Procurement Strategy will ensure that procurement always gives priority to quality and cost effectiveness of services, exploiting opportunities for partnership working and reflecting local people's views as to the standard and level of services they require.

Procurement has been recognised as one of the ten themes in the North East Regional Improvement and Efficiency Programme (RIEP). The Council is contributing to the work in this area to learn lessons from others and consider further collaboration opportunities in order to deliver efficiencies.

A Strategic Procurement Group has been established in order to implement the Procurement Strategy, in a co-ordinated way, and a Procurement Handbook has been developed to set out consistent processes and procedures for procurement across the Council. The implementation of the Procurement Strategy and Handbook has been underpinned by a corporate training programme to ensure that all employees have the necessary procurement skills in order to carry out their role. In addition, a separate skills audit has identified areas of focus for further training.

In order to gain efficiencies from the tendering process and to build capacity, a number of improvements have been implemented. These include:

- The Council's approved e-Tendering facility is used to receive tenders for construction projects and professional services consultants.
- The pre-qualification service "Constructionline" including the optional CHAS Health and Safety accreditation scheme have been adopted in order to simplify the procedure for suppliers. In order to qualify for inclusion on the Council's Approved List of Building Contractors, firms must be registered with Constructionline and CHAS.
- The Council has approved the use of framework arrangements organised by the Office of Government Commerce (OGC) for the provision of professional services.
- The Council has developed framework arrangements for specialist areas such as CCTV camera installations, asbestos surveying consultancy and Disability Discrimination Act (DDA) surveying consultancy.
- Implementation of a Procurement Gateway Review to strengthen the process and ensure efficient and effective use of resources.
- The Council is a Board member of SCAPE and contributed to their appointment of a national framework construction partner. The Council is using this arrangement as an alternative procurement option for construction projects.

The Council has a policy for certain categories of works, where contracts are awarded to the construction contractor following negotiation with the technical officer on the basis of competitive rates. These 'strategic partners' have adopted revised working practices away from the traditional approach, which have brought benefits through:

- Piloting schemes using the integrated team approach and a guaranteed maximum price.
- Minimising documentation and drawings.
- Use of unit rates and final payments on completion with no retention payments.

Specific examples of the Council's commitment to improving procurement and the diverse nature of that procurement include:

- Working with The Gateshead Housing Company and partners to deliver the improvements in the housing service.
- A Design & Build approach to the Community & Sports Excellence Centre at Gateshead International Stadium to ensure early start on site and reduced design and construction time. The project also included the novation of the Council's appointed Design Team to the Contractor to preserve the integrity of the design.
- The establishment of a framework arrangement combining new CCTV camera installations and their maintenance allowing early engagement over system design development and installation.
- The use of OGC Estates Professional Services framework to support the delivery of the Housing Market Renewal programme.
- Developer Partner procured for further development of Gateshead Quays.

The Council considered alternative procurement routes to resolve a shortage of resources for investment in existing assets. To meet government targets for its housing stock the Council explored a number of options, including PFI / arms length management and stock transfer. In January 2004 the Council established an Arms Length Management Organisation (The Gateshead Housing Company).

The Council was successful in securing a Schools PFI project totalling £64.2m and a 'Building Schools for the Future' project of £35m in partnership with South Tyneside Council. To deliver Building Schools for the Future, South Tyneside and Gateshead Councils have invested in a Local Educational Partnership (LEP) to advise on and procure all design and construction work for the joint project. The Council are using the LEP to deliver the Primary Capital Programme, which has enabled £5.5m of funding to be brought forward from 2010/11 to accelerate the programme.

The South Tyne and Wear Waste Management Partnership was established to enable the three partner authorities (Gateshead, Sunderland City and South Tyneside Councils) to jointly procure a service for the treatment and disposal of residual municipal waste. The Partnership has been provisionally awarded £73.5m of PFI Credits by the Department for Environment, Food and Rural Affairs (Defra) following the approval of the Outline Business Case in July 2008. The Partnership, led by Gateshead Council, is currently in dialogue with a number of short-listed bidders. It is anticipated that the procurement process will be completed by September 2010.

The Council is in the process of procuring a joint venture partner to build over 3,000 new family homes. The gross value of the proposal is around £1bn and the package covers 19 sites across the borough. The use of a Joint Venture Vehicle (JVV) will enable a co-ordinated approach to major housing regeneration across the whole of Gateshead, provide an alternative method of finance and increase the scale and speed of delivery.

Work is progressing to further develop the Council's approach to project risk management, to ensure that the Council has comprehensive procedures to identify project risks and ensure effective management arrangements which

take into consideration the risks that may occur over the lifetime of each capital project.

This risk management approach incorporates consideration of financial risks relating to VAT issues to ensure that procedures are in place to mitigate this risk.

## **4 Working With Others / Key Partners**

### **4.1 Key Partners**

In order to achieve the Council's objectives and those of local communities, it is essential that the Council works hand in hand with residents, other statutory agencies and the community and voluntary sector.

The **Gateshead and Newcastle Partnership** (comprising the Leaders of Gateshead and Newcastle Councils, 4 Cabinet Members, 6 local Councillors and Chief Executives) provides strategic direction and promotes the economic growth of Gateshead and Newcastle through:

- 1 The NewcastleGateshead Initiative (Destination marketing)
- 2 Bridging NewcastleGateshead (Housing Market Renewal)
- 3 The 1NG, formally the City Development Company (Economic Development)

As a result of this Partnership, Gateshead and Newcastle have been successful in achieving 'Housing Growth Point' status this year aiming to deliver 14,500 new homes by 2016.

In terms of Information, Communications and Technology, the Council is involved in a number of successful partnerships. These have delivered information kiosks across Tyne and Wear and the provision of Internet services with Derwentside District Council. A successful Invest to Save bid (Empower) enabled the Council to work in partnership to encourage the third sector (voluntary and community) in Gateshead to participate in and reap benefits from the information society.

The Gateshead Strategic Partnership has been established since 2000. The Partnership includes a steering group and four themed partnerships aligned with the Council's theme portfolios. The membership of the partnership includes organisations from the statutory, voluntary, community and business sectors. Its focus is the delivery of Vision 2030 and the Gateshead Agreement and delivering more through partnership working. A neighbourhood management approach has been implemented and is continuing to be further developed which involves greater community involvement and working with a range of organisations to improve conditions for local people.

Gateshead Council is working in partnership with South Tyneside Council, after successfully submitting a joint bid in relation to 'Building Schools for the

Future' and with Sunderland City and South Tyneside Council through the South of Tyne and Wear Waste Management Partnership.

## **4.2 Partnerships and External Funds**

In addition to mainline resources, the Council actively pursues external funding (often through bidding regimes) and maximises the use of these resources where it will benefit the people of Gateshead. The Council works closely with One North East to develop capital projects that will benefit the area including Single Programme projects as well as working closely with Government Departments, Government Office for the North East in EU funding and the BIG Lottery Fund. Examples include:

- Over £100m of Arts Council and Millennium Lottery, ERDF, One NorthEast and English Partnership funding for the prestigious Gateshead Quays projects – Baltic, Gateshead Millennium Bridge and The Sage Gateshead.
- Nearly £50m of SRB resources for regeneration particularly in East Gateshead and Gateshead Town Centre.
- The restoration of Saltwell Park supported by nearly £7m of Lottery funds.
- £4.8m Lottery funding to provide additional sports facilities in schools and Gateshead International Stadium.
- A number of Children's Centres have been developed using Sure Start funding.
- Over £100m Housing Market Renewal Funding across the NewcastleGateshead Pathfinder area.
- Working in partnership with Sunderland and South Tyneside Councils to secure £73.5m PFI award to develop waste management facilities.
- Working with Gateshead College to develop Gateshead International Stadium

Capital investment through the use of both mainline resources and external funds has helped to attract further large scale investment to the Borough, including:

- £2m contribution towards an educational facility for Gateshead College attached to the Community & Sports Excellence Centre at Gateshead International Stadium.
- Private sector investment at Gateshead Quays, including the NewcastleGateshead Hilton Hotel and loft-style apartments.
- Council land and SRB have levered in over £300m of additional resources and secured the development of the Baltic Business Quarter, which will be the location of the Northern Design Centre and is now the site of Gateshead College's main campus. A preferred developer is progressing proposals for implementation of the second phase known as 'Gateshead Quays 2' and Single Programme resources are being sought for a number of associated schemes such as developing important linkages to the Town Centre.
- £23.4m new Cardinal Hume Voluntary Aided School.

- £64.2m in securing Schools PFI projects and £35m for 'Building Schools for the Future' projects.
- Over £6.8m Housing Corporation funding has been secured, enabling 148 new affordable homes to be built.
- Single Programme and ERDF funding to develop St. Mary's church into a Visitor Centre for Gateshead involving external funding of over £1.2m.
- Over £3.6m Homes and Communities Agency funding to build 61 new homes.
- ERDF funding of £2.9m and £1.2m Single Programme funding has been approved to develop the Northern Design Centre.
- Single Programme funding of £1.6m is being sought to enhance the existing facilities at Gateshead International Stadium.

The Council works in partnership with both private developers and other public agencies to meet common objectives and in cross cutting initiatives such as:

- Working with Department of Communities and Local Government to secure Housing Market Renewal through Bridging NewcastleGateshead.
- Working with developers to secure the redevelopment of Gateshead Town Centre and Blaydon Town Centre.
- Working with Registered Social Landlord's to deliver affordable homes in accord with the Council's Housing Strategy.
- Working with a range of agencies to secure further development at Gateshead International Stadium.
- Working with a range of private developers to secure the sustainable regeneration of the riverside area from Gateshead Quays to the Metro Centre.
- Working with English Heritage to protect the heritage of the Town Centre area by the implementation of a successful Townscape Heritage bid submission.
- Working with Nexus and Go North East to develop the Quaylink Bus Link.
- Building a £9m priority bus link known as CentreLink to provide access from Gateshead Town Centre to the MetroCentre as part of a £25m public/private sector partnership investment between the Council, Nexus, Go North East and Capital Shopping Centres.
- Working with a private developer at Dunston Riverside where reclamation works funded by the Council are acting as the catalyst for a major housing scheme.
- Working with a range of private developers to provide housing schemes.
- Working with a private developer at the former Garden Festival site to incorporate a major Home Zone Initiative to provide innovative traffic arrangements within the site.
- Working with Gateshead Primary Care Trust to develop a shared building including leisure facilities and primary care centre on the site of the former Blaydon School.
- Working with a private developer to develop the Baltic Business Quarter to enable economic regeneration.

- Developing a joint venture vehicle with the private sector to deliver housing regeneration across the Borough
- Working with the Gateshead Housing Company to set up a charitable subsidiary to build new affordable homes, ensuring resources are maximised and to reducing pressures on the emerging business plan.

## **5 Performance Monitoring and Evaluation**

### **5.1 Performance Measurement, Monitoring and Evaluation of the Capital Programme**

The Capital Programme, including both mainline and externally funded schemes, is kept under review throughout the year. Monthly monitoring meetings are held between the project owner, technical and finance functions for projects. If a particular scheme cuts across more than one service, monitoring meetings will include other relevant officers. The outcome of these meetings is reported to Group Management Teams.

The Council's Strategic and Group Directors also meet on a bi-monthly basis in order to keep progress on the Capital Programme under review. Both physical and financial progress on each scheme within the Programme is considered and minutes of the meeting are referred to the Council's Strategy Group chaired by the Chief Executive. The process includes reviewing outcomes of capital projects against objectives, supplemented by complementary meetings as required to review individual projects to improve future performance.

The Cabinet receives monitoring reports at the end of each quarter and recommends to Council changes to the Programme to reflect movement in resources and spending on schemes.

### **5.2 Evaluation of ongoing/completed projects**

The Council has developed and enhanced its systems of project monitoring, evaluation and review to interface with Government good practice guidelines and the Construction Best Practice Programme. The Council has identified its database requirements to enable project/budget monitoring to be combined with property performance indicators.

The Council is an active member of both the IPF network and the Octopus benchmarking group. The best practice knowledge gained from these groups has helped:

- Establish priorities and provide a clear direction for the future
- Provided practical guidance on how to approach new areas of investment
- Clarify how best to use information to drive improvement.

### **5.3 Corporate review of existing properties**

As part of the development of the Council's Corporate Asset Strategy and Management Plan, the Council reviews its assets on an ongoing basis to ensure their best possible use in supporting the delivery of services and also to identify any underused or surplus assets. Currently, any assets that are deemed to be surplus are transferred to the Head of Property Services to recommend the most appropriate option for the Council. The value of surplus assets that are planned for sale in the next financial year is assessed as part of the capital resources availability to support the Council's Capital Programme.

The Corporate Property Officer submits a review of performance of the Council's property portfolio to Council on an annual basis.

Performance measurement has been incorporated into asset reviews. This information is used to provide an objective view on the property portfolio, judge the success of the established strategies and to drive future improvements in the investment portfolio.

The ongoing compilation and analysis of property performance indicators to facilitate benchmarking with other authorities will help enhance strategic decision making in asset management and capital investment.

### **5.4 Efficiency Review**

The Government commissioned an independent review of efficiency in the public sector, which focussed on the Government's objective of releasing resources to fund front line services through improved efficiency in service delivery. The national framework for measuring and monitoring efficiency gains was changed in the Comprehensive Spending Review 2007 (CSR07). This set a target for all public services to achieve at least 3% cash releasing value for money gains per annum over the period 2008/09 to 2010/11. The 2009 budget then announced an additional 1% of efficiency gains to be achieved in 2010/11. The cumulative savings target of £31m over the three year CSR period includes capital expenditure.

The achievement of efficiency savings is managed through an Efficiency and Value for Money Core Group with the emphasis on cross cutting efficiencies supplemented by more service specific initiatives. These are agreed by Council and monitored by the Corporate Vitality Overview and Scrutiny Committee. The Council's capital resources will be used to support invest to save projects which will assist in achieving this challenging target.