

Capital Strategy

2007 to 2011

DECEMBER 2007

CAPITAL STRATEGY 2007 to 2011

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1. INTRODUCTION – A SHARED VISION AND CORPORATE PRIORITIES

- 1.1 This document sets out Harrogate Borough Council’s approach to “**capital expenditure**”. This is spending which produces an asset e.g. a home or a swimming pool. It also includes structural renovation of assets, together with grants to people and other organisations towards their own capital expenditure.
- 1.2 Capital expenditure by the Council and its partner organisations is a key component of delivering effective services to the public that meet their needs and priorities. This Capital Strategy shows how we are working towards Harrogate’s long-term vision and medium-term **corporate priorities**, which are:
- ◆ **Caring for the Environment** (top corporate priority) – ensuring the enhancement and protection of the natural and built environment District-wide.
 - ◆ **Affordable Housing** – ensuring people have access to housing opportunities throughout the District
 - ◆ **Traffic and Transport** – ensuring the provision of a transport network that will provide access to public transport in all areas and provide integrated facilities including car parks.
 - ◆ **Keeping the District Safe** – ensuring communities across the District are safe and secure and they feel safer.
 - ◆ **Supporting our Local Economy** – ensuring a robust and varied economy that benefits local people and creates employment opportunities in rural areas and the market towns across the District.
 - ◆ **First Class Public Services** – ensuring that the services delivered throughout the District meet the needs of customers, are accessible and of a high quality.
 - ◆ **Organisational Improvement** – a commitment to invest in improving the organisation by being a good employer and building its organisational capacity to deliver first-class services and increase its service performance.
- (A full explanation of the Council’s seven corporate priorities is set out in the current Strategic Plan.)
- 1.3 The District Panel, a 1,500 strong residents’ panel, was re-established in 2002 to gauge public opinion on a variety of issues including major capital investment. And, a Community Plan was published in February 2004 (by the Local Strategic Partnership on which the Council is a key partner) to reflect the aspirations of local people, and this will inform the future shape of our capital investment strategy in the District.
- 1.4 The Council’s Capital Strategy is co-ordinated by the Accountancy Manager in association with the Corporate Property Officer and the Asset Management Group (AMG), who also contribute to the Asset Management Plan (AMP). The Capital Strategy, along side the AMP, is reported to the Corporate Management Team (CMT), Cabinet and the Corporate Performance Panel before final approval by Council, and is monitored annually. The annual Capital Programme (see appendix for an example) monitors the delivery of the Capital Strategy and is reported to Cabinet throughout the year (see paragraph 2.7).

2. KEY PRIORITIES AND TARGETS

- 2.1 **Housing Priorities.** The Council aims to provide quality housing services which effectively meet people's needs, and which are available to all equally on the basis of need. In 2005 the Council concluded its Housing Options Appraisal and decided on Stock Retention as the preferred option for the future management and ownership of the Council housing stock and this was signed off by the Government Office. Importantly the Council wants to see the District's housing stock, both public and private sector, brought up to good standards of repair and energy efficiency. The Government's target for all Local Authorities is to achieve zero non-decent homes within their housing stock by 2010. The Council stock needs an estimated £9.4m investing to achieve the Decent Homes Standard (plus higher standard of Council's own choice), which will take until 2010 to achieve. In the private sector, a stock survey in 2003/04 identified disrepair totalling £72.5m. This informed the Council's review of its role in grant aiding poorer private householders (together with empty and multiple occupancy properties).

High demand for affordable accommodation, increasing homelessness cases, and Council stock losses through tenants' Right to Buy - these are all pressures that the Council is increasingly less able to resolve directly. Its role is now shifting to an enabler, and strong partnerships with other agencies have been established (notably with housing associations through joint commissioning arrangements) to maximise resources and expertise. This agenda is helping deliver the Council's corporate priority on Affordable Housing.

- 2.2 **Harrogate International Centre (HIC) Exhibition Hall Redevelopment.** Phase 1 of the HIC Exhibition Hall redevelopment has been approved, subject to sufficient external grant funding being awarded (indicative support from Yorkshire Forward), with the balance from prudential borrowing (see paragraph 2.6), as the scheme is self-funding and is backed by a robust business assessment. The Council has also agreed to progress feasibility work on the remaining phases of the project, with a view to securing a satisfactory and affordable financial solution. This project is a key part of the Council's corporate priority on the Local Economy.
- 2.3 **Cultural Services.** A Cultural Services Best Value review was completed in 2003, identifying a net investment need of £8.7m over 10 years. This investment assessment has been updated in 2007 to show a net investment need of £5m (£7.6m investment need less potential funding of £2.6m), including Starbeck Baths at £1.7m and Ripon Spa Baths at £0.4m (this excludes any potential increased cost from the structural assessment which is currently being undertaken). This reflects investment undertaken since 2003, ongoing asset condition surveys and identification of potential funding sources. Earmarked reserves have been established from which Cultural Services investment needs will be met. Progress has been made in identifying Cultural Services efficiency savings to contribute to these reserves, along with capital receipts from the sale of land and buildings. Cultural Services are key to meeting the Council's commitment on delivering First Class Public Services.

2.4 **Other Priorities.** The restoration of the **Royal Hall** (up to £11m), a listed historic building and valued community facility, has been the main scheme for several years for the Council's priorities on Other Services (see appended Capital Programme). This scheme is due for completion in January 2008 and will contribute towards the Council's top corporate priority, Caring for the Environment. The Council continues to provide seed-corn finance towards its **economic development** objectives, particularly in the rural parts of the District, plus it invests in projects to improve the economic vitality and viability of the district's market towns, and also assists regeneration measures in partnership with Yorkshire Forward and the County Council, all of which supports the Local Economy, one of the corporate priorities. A joint agency agreement with the County Council on use of **on-street parking charges** is helpful in supporting the Council's corporate priority in relation to Traffic & Transport and its objectives on road safety, congestion and car parking (again see appendix). Significant resources have been invested in **Recycling and Waste Collection** (see appendix), in response to the top corporate priority of Caring for the Environment, with further investment needs identified.

The Capital Strategy in 2003 identified total investment needs on Other Services of £35m, and clearly given the shortage of resources this scale of programme will take many years to achieve. The Council has a legacy of ageing municipal buildings, which brings increasing obligations for maintenance and renovation and a real need for judicious use of additional capital investment to protect the District's heritage. A review of office accommodation is currently being undertaken, with potential asset disposals funding any investment needs.

2.5 **Revenue Implications of Capital Investment.** For many years the Council has been concerned to ensure that capital investment as far as possible does not increase the General Fund revenue budget or the Council Tax. Normally, the Council would expect capital projects to be virtually **self-financing**. Examples include rationalising office accommodation (relinquishing expensive leases) and new self-financing exhibition hall and breakout space. In Housing Revenue Account (HRA) Housing, the large improvements programme is mostly paid from Government major repairs allowance, although significant backlog continues to be financed from revenue (i.e. rents) under a 10-year programme with tenants' agreement.

The policy on **capital receipts** is to pool them as a corporate resource (the policy allows the service department to retain 25% of the capital receipt, up to a maximum of £20,000. In view of the level of unresourced spending need in Cultural Services, Council has agreed that, as a one-off exception, all proceeds from any sale of Cemetery Lodges is appropriated to Parks and Open Spaces), with Housing receipts traditionally being earmarked for the Housing Investment Programme (HIP). From April 2004 only 25% of HRA dwellings capital receipts are retained by the Council, the remainder must be paid over to the Government, under pooling arrangements. HRA land receipts are 100% usable on committed social housing works (including own stock).

2.6 **Prudential Borrowing.** The Local Government Act 2003 allows Prudential Borrowing from 1 April 2004, having regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. The key elements are **Affordability and Strategic Focus**. When taking capital investment decisions, the Council is now required to have regard to:

- ◆ **affordability** e.g. implications for Council Tax and Rents
- ◆ **prudence and sustainability** e.g. implications for external borrowing
- ◆ **value for money** e.g. options appraisal
- ◆ **stewardship of assets** e.g. asset management planning
- ◆ **service objectives** e.g. strategic planning for the authority
- ◆ **practicality** e.g. achievability of the forward plan

Capital programming should be integrated with the revenue budget (as at present). During the budget process, the Council now has to set its two prudential limits on borrowing. These are an Authorised Limit (being a maximum to cover all eventualities) and an Operational Boundary (reflecting current debt outstanding plus any external borrowing for next year). Council can revise the limits at any stage during the year, although in practice the original limits might include an allowance for new schemes emerging in-year (subject to their affordability and approval).

In practice, the constraints on the revenue budget mean that there is **not a great deal of freedom** actually available from the loosening of Government borrowing control. The General Fund has very little room for extra debt charges, unless these are offset by extra income (e.g. self-financing schemes) or alternatively are seen as unavoidable schemes that would otherwise have to be charged to revenue. The Housing Revenue Account also has very little scope for prudential borrowing (beyond the Supported Borrowing allowance from Government), given that its rents must converge with the Government formula, which contains no allowance for 'unsupported borrowing' (i.e. that which has no Government subsidy towards debt charges).

It is important to **manage expectations** under the new system. Prudential borrowing is not a free resource, it is like a domestic mortgage and requires revenue budget for the debt charges and any running costs. It is a long-term pre-emption of future revenue and council tax. Unless the revenue cost can be found within existing revenue budgets, then it should be treated as any other growth item. As a crude rule of thumb, debt charges would be about 5% interest plus 4% principal repayment – although higher principal repayments would prudentially be required if borrowing for short-life assets.

In Harrogate, the medium term financial prospects are so constrained that **no allowance for prudential borrowing** has been made, **except** where fully supported by income or by Government subsidy. For 2004/05 the Council authorised £0.8m of prudential borrowing for the Breakout Space scheme, self-financed from HIC surpluses. In principle, further prudential borrowing has also been authorised for Phase 1 of the HIC Exhibition Hall Redevelopment, again self-financed from HIC surpluses (see paragraph 2.2).

The Code's theoretical, policy-driven process implies we should have clear service strategies and the community plan feeding into the **AMP** to derive a prioritised stream of major **capital schemes for the medium term**. These spending aspirations can then be tested against Member priorities, and matched against annual forecast resources, to derive the approved capital programme. Authorities intending to avail themselves of prudential borrowing will need a clear **debt strategy** on the affordable extra level of debt charges in contemplation over the medium term.

Harrogate's capital programme does already reflect service objectives, with links to the corporate action plan and the asset management plan. Capital prioritisation scores have now being introduced for new schemes. The Code's policy-led approach is, however, only of limited application to Harrogate at present, given the predominance of schemes with dedicated funding (e.g. on-street parking income) or specific grant (e.g. lottery). This approach can only become fully effective at Harrogate in the longer term, once the Royal Hall scheme has been completed.

2.7 **The Framework for Managing and Monitoring the Capital Programme.**

The arrangements as required by Financial Regulations are broadly as follows. Capital programmes, both HIP and Other Services (see the Appendix), are agreed annually by **Cabinet**, who must agree significant variations. Spending is monitored in detail by **Portfolio Holders**, and in summary by Cabinet quarterly or as required. Distinction is made between minor or routine spending areas (delegated to Portfolio holders within budget) and major projects of corporate significance (reported regularly and specifically to Cabinet and possibly a **project forum**, including any post-mortem reports for future common benefit). Both budget allocation and project performance are subject to Scrutiny by call-in from the appropriate Commission. Under the Council's business unit principles, ongoing detailed monitoring and evaluation of **progress** of schemes (within corporately approved budgets and service priorities) is the responsibility of service budget holders, in conjunction with their Directors and Portfolio Holders. The AMG (as its role becomes more established) will increasingly take an overview of these matters, but there are presently no significant corporate issues at stake given the predominance of ring-fenced funding for most of the programme, with the remainder having been devoted to just one major scheme. Financial responsibility for all Capital matters is concentrated in one Accountancy team, to ensure consistency and to promote **corporate working**.

2.8 **Additional Capital Resources - Inform Bidding.** Bids for additional **external** capital resources by Departments are strongly **encouraged**, so long as both capital resources exist for any match funding and revenue consequences can be found from existing budgets. Lottery and other grants have been the only affordable way in recent years for the Council to procure a range of important leisure and economic development schemes. Bids for unsupported borrowing outside the HIP are, however, less strongly favoured because of the extra debt charges on the already stretched General Fund budget, so the proposed spending would have to be of good priority in the Cabinet's judgement.

Bids for additional **internal** capital resources are normally discouraged because of the lack of capital resources. Exceptional cases need to be fully justified on urgency grounds, fully costed in revenue and capital terms with proposals for meeting those costs, and agreed by CMT and Cabinet as an adjunct to the Capital Strategy. Housing schemes, because of their ring-fenced funding, have less stringent requirements and Cabinet is likely to be receptive to balanced proposals for spending any additional in-year resources on schemes which accord with the Capital Strategy or which assist Housing objectives.

2.9 **Approach to Private Finance Initiative (PFI)/Public Private Partnership (PPP).** PFI is prominent as a source of funding for public capital expenditure, though there is relatively little evidence of its practical application in shire district councils. This reflects their relatively small scale of capital projects and their diverse nature. The Government has advised that PFI is not generally suitable for projects less than £10m or for IT schemes. Harrogate has previously commissioned **consultants** to examine PFI and PPP e.g. for Housing Association support and in respect of its Conference and Exhibition business, and while PFI could not practically be applied, we have for example taken on a private partner to invest in and operate the catering facilities at the Conference Centre. The Council as a matter of course would seek to attract private funding for suitable projects and has done so currently e.g. for the Royal Baths redevelopment and for the Harrogate Spa Water project.

2.10 **A Corporate Procurement Strategy.** Procurement is the acquisition of goods, works and services. The procurement process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. In this context, obtaining best value and value for money means choosing the solution that offers the optimum combination of whole life costs and benefits that meet the Council's requirements. These can include social, environmental and other strategic objectives.

The Council adopted a fully revised and updated Corporate Procurement Strategy in 2005, the aim of which is: "To create a strategic approach to procurement that contributes to the Council's improvement agenda and its aim to be a well managed Authority, by embedding modern procurement methods in its business planning and service delivery, and using them to realise cash savings and efficiency gains that can be re-invested in services to the public." The Strategy includes five strategic priorities of which the first four are aligned to those of the National Procurement Strategy for Local Government:

- ◆ Providing Leadership and Building Capacity
- ◆ Partnering and Collaboration
- ◆ Doing Business Electronically
- ◆ Stimulating Markets and Achieving Community Benefits
- ◆ Organisational Improvement.

Examples of initiatives to deliver these strategic priorities include: the implementation of an e-marketplace at sub-regional level, collaborative buying at regional level, and signing up to the Small Business Concordat.

Procurement is closely linked into delivery of the **efficiency agenda**, both the Council's own agenda on reallocation of resources and the Gershon agenda. To date the Council's approach to efficiency has focused primarily on identifying savings in the revenue budget, but from 2007 there will be an increased focus on delivering savings from the Capital Strategy, Asset Management and Project Management. The Council's approach in these areas will be finalised once the latest national guidance has been published in late 2007.

Agenda 21 considerations permeate the procurement strategy. More environmentally friendly fuelled vehicles are purchased, a Combined Heat and Power (CHP) unit powers the Hydro, and under ground heating sources have been installed for some Council Housing. Local service delivery points are preferred, to reduce the need for residents to travel long distances to access services. Sustainability assessments are **mandatory** for every capital proposal, under the Council's corporate commitment to Local Agenda 21 to secure **sustainable development**.

- 2.11 **Prioritising Investment.** The policy-led prioritisation rationale is centred on the Council's seven corporate priorities in the 2005 to 2008 Strategic Plan adopted in October 2005. It was amended in November 2006 to reflect the Council's decision to make "Caring for the Environment" the top priority. It also incorporates the Council's previous financial assessment rationale.

There are nine criteria in the Council's assessment rationale:

- ◆ Contribution to the Council's corporate priorities
- ◆ Statutory or discretionary obligations
- ◆ Contribution to the national priorities for Local Government
- ◆ Level of Community Benefit
- ◆ Level of external funding
- ◆ Level of Council funding
- ◆ Capital effectiveness
- ◆ Revenue efficiency
- ◆ Risk assessment

The policy-led assessment provides a "tool" to inform decisions on the allocation of Council resources to major programmes of work and projects in line with corporate priorities. It will not make the decision to allocate resources for Members or remove their democratic responsibilities to determine such policy issues. It will allow Members to overlay this objective assessment with their **political decisions** on the allocation of resources. It is worth emphasising that the financial effectiveness of new schemes is a key criterion. This includes not only capital and revenue assessments but also the availability of grant funding, which is often only available for specific projects. Such grants often make relatively low priorities much more affordable than other higher service priorities, and so contribute to changes in corporate ranking. [Contrast the high Lottery support for leisure and heritage projects with complete absence of support for public toilets.]

The service-led criterion picks up corporate objectives, not only on Council assets, but also on providing grant aid to Partner agencies to achieve mutual objectives and to lead or collaborate in bidding processes (e.g. Lottery) including match-funding provision. This recognises that the Council can **significantly influence** capital investment by using its own limited resources as leverage to secure external contributions, notably Lottery Funds and in the past, Single Regeneration Budget (SRB). In particular, HIP funds are deployed on Private Sector Grants to multiply private sector funding of affordable rented housing.

Finally, from time to time over the years, a small number of additional projects have been brought into the programme and carried out as opportunities have arisen. These are always the subject of specific Council decision on the basis of detailed project appraisal, feasibility study and/or business plan. The Strategy needs to remain a flexible planning tool, capable of considering and taking advantage of achievable opportunities according to their merits.

3. LINKS TO PARTNERS

- 3.1 To achieve its objectives the Council traditionally works with a range of partners, including:

Public Sector

Police	Yorkshire Forward
Hospital and Primary Care Trusts	English Heritage
County Council, Parish Councils	European Union (EU)
Government Agencies and Departments	Housing Corporation

Private and Voluntary Sector

Voluntary Sector Forum	HIC private sector caterer
Various voluntary groups	Royal Baths developer / funder
Local hotel groups	Various private sector developers
Registered Social Landlords (Housing Associations)	

Regional and National Bodies

Football Foundation	Sport England
Lawn Tennis Association	Natural England
Waste Recycling Environmental	

In March 2003, the Council formed a Local Strategic Partnership of key partners in the District to develop a Community Plan of local priorities and actions by February 2004 covering both revenue and capital expenditure.

- 3.2 The Council achieves considerable external funding from close relations with grant aid bodies (Lottery, European Union etc) and its capital strategy is heavily reliant on (and successful at) securing grant aid. Although often requiring match funding from the Council's very limited own resources, this is a very efficient method of adding value to those resources and achieving a variety of capital schemes.
- 3.3 Topical examples of successful partnership working can be found in most services. We are the administering authority for the entire North Yorkshire

Concessionary Fares Scheme. We co-operate with the County Council on joint sports facilities, with recycling credits, with on-street parking revenue for road safety and car parks, on Ripon centre improvements, on rural workspace schemes, even a barn for their road salt. We have linkages with Parish Councils for community centre management and for joint CCTV schemes (also including Police and an adjacent District Council). Some CCTV installations were wired by Cable TV using their trenches, to mutual benefit. Economic Development brought together Ripon City Council and Partnership together with Yorkshire Forward for a successful £3m SRB regeneration project bid.

Cultural Services have achieved especial co-operation and funding from external partners as listed, particularly Lottery bodies e.g. for the Hydro and the Killinghall Moor development. Housing have notably strong links with the Housing Corporation and Housing Associations, including shared premises and seconded staff to run the joint commissioning initiative, and providing affordable housing using council land, under-used dwellings (e.g. Netherdale complex) and premises in disrepair (e.g. Grove House). Agenda 21 partners include the Energy Savings Trust aid and assistance on alternatively-fuelled vehicles. The Council has refurbished its decaying Royal Baths facilities (Turkish Baths, Tourist Information) through a redevelopment partnership on the whole site with a private concern.

Necessary investment in HIC facilities has been provided by the private sector concessionaire. And the restoration of the Royal Hall includes a £6m grant from the Heritage Lottery Fund and significant fund-raising and co-operation from the Restoration Trust. All these examples illustrate Harrogate's extensive networking and commitment to ongoing development of this approach.

4. DETAILS OF CONSULTATION

- 4.1 A key element of the capital strategy is its link to the District's **Community Plan**. One particular major scheme, the Royal Hall, was the subject of widespread public **consultation**, including through the District Panel, and the Council has extended this approach. Other schemes have come 'bottom-up' from local community aspirations and the Council included these in its forward plans e.g. Nidderdale Pool (which has resulted in the provision of a new swimming pool, with the aid of significant local community fundraising).
- 4.2 Funding partners are routinely consulted on the Council's proposals, and their views are taken into account as far as possible. Public consultation and endorsement by partner organisations is a requirement of many major external funders. Because the capital strategy is so reliant on these funds, we can already demonstrate high public support for our proposals.
- 4.3 Existing consultation mechanisms with businesses, chambers of trade and with hotel groups will continue to be developed. Not only is the business community consulted on the annual economic development programme, they also have a major input in shaping funding bids to Europe and to Yorkshire Forward (rural workspace programmes).
- 4.4 The Council has a policy of full disclosure about its financial affairs, which includes the capital programme and strategy. Details are published free of

charge, and are available on the website. Resource constraints can limit the Council's desired response to consultation at times, but Housing projects in particular are receptive to change in the light of residents' wishes - either through specific scheme questionnaires or through the extensive established tenant participation measures. Following consultation and a roadshow on Ripon improvements, the external and communal area proposals were modified. Tenants' views also resulted in significant change to the external design treatment for Jennyfields, Harrogate, modernisations.

5. LINKS TO OTHER RELEVANT STRATEGIES AND PLANS

- 5.1 Harrogate's corporate objectives together with its financial and service strategies are brought together in the authority's **Strategic Plan**. The **Community Plan** will ensure that the Council is in harmony with local partners as we jointly address the wishes and needs of local residents and communities and deliver this shared agenda. A chart that outlines the authority's Corporate Planning Process is provided in the AMP (page 11).
- 5.2 Various service-specific strategies have been drawn up, which include capital investment priorities, typically to meet Government requirements or statutory targets or to inform funding bids. Examples are the **Housing (HIP) Strategy**, the Waste Management Strategy, the Transport Policies Programme, the Economic Development Programme. They are revised annually to reflect the latest needs and resources position and the outcome of any Best Value reviews or consultations and associated improvement plans. Notable first-round Best Value reviews were the **AMP** and the Housing Investment Strategy. The **regeneration plans** of the three area regeneration partnerships have provided the foundation for European and other funding bids.
- 5.3 **Co-ordination** of these strategies will be increasingly important in future years (after the Royal Hall ceases to dominate the resources), and the **AMG** will be expected to influence consistency and equality of treatment prior to consideration by CMT and Cabinet.

6. PERFORMANCE MEASUREMENT AND INNOVATIONS

- 6.1 The AMP exhibits a wide range of national and local performance measures, corporately across all services, for comparison with Audit Commission standards and regional benchmarking when reporting the results to Cabinet Member. Optimising usage of land and buildings is the key driver, with a view to releasing resources, which could be used for service improvements. The 4 national (and 12 local) property performance indicators have been implemented, and the full results are being **communicated** to Cabinet Member, CMT and Departments for consideration. Major capital projects are limited in number through shortage of resources, but statistics are collected and reported regularly to Members on progress against timetable and budget, client satisfaction, contract claims, energy efficiency improvement etc. We aim to assess the scope for harmonising the Housing and non-Housing practices here.
- 6.2 Internal benchmarking has been introduced for most operational property assets, and the Council participates in the North Yorkshire Councils'

Benchmarking Group and subscribes to the Institute of Public Finance (IPF) Property network to compare indicators with other Authorities, whose findings have already featured in District Audit comparisons. Relevant findings are fed back to Departments to contribute to the pursuit of service improvements. Examples include space planning and storage reviews (existing performance good, but funds secured for enhancement), repair planning, and energy/water conservation measures initiated. Maintenance backlog information informs the budget process at Cabinet.

- 6.3 Performance measurement and **control** is particularly **important** for Harrogate, given that most if not all large schemes involve significant grant aid and partnership working. Typically, external contributions are cash-limited so this authority feels the full effect of any cost escalation. This consideration was crucial to the viability of the Royal Hall restoration proposal, where the full extent of works and costs were not accurately quantifiable until after works commenced. Accordingly a £0.8m development survey was undertaken to assess these matters (enabled by uncommonly-given Lottery support).
- 6.4 Corporate Asset Management software is used by Departments in furthering progress on the AMP. A Geographical Information System has also been purchased and is being rolled out into Departments by the new GIS/LLPG officer. And as a further technical innovation, a CHP unit now serves the Hydro to save on utility bills and provide environmental benefits.

7. **CROSS-CUTTING ACTIVITY**

- 7.1 The Council is fully committed to a number of key cross-cutting initiatives both across its own services and those of other bodies. These include Local Agenda 21, Community Safety, Health Promotion, Economic Development and Development in rural areas. A highly corporate approach is taken, for example towards affordable housing and on empty property initiatives, with inter-disciplinary joint working (with partners) to apply a unified approach. On Community Safety, significant capital investment in CCTV has been achieved through joint funding with cable operators and through Government grant, while Economic Development projects in rural areas have been achieved jointly with Yorkshire Forward, the County Council and with EU grant support.
- 7.2 Increasingly, external grant funding is targeted to these cross-cutting areas, and the Council has to respond to these initiatives with local strategies as far as possible.
- 7.3 The Council is building on its good track record on regeneration and sustainable development. One of the Council's seven **corporate objectives** specifically relates to regeneration of market towns and rural economies. In consequence, a specific regeneration post has been created centrally; the Cabinet agreed two more appointments to help deliver regeneration programmes; four area regeneration partnerships are sponsored, with the regeneration plans being endorsed by CMT and leading Members, and with all Departments involved in delivering initiatives listed in the plans. The Renaissance Market Town (RMT) Programme involves significant corporate working and major commitments by external partners.
- 7.4 The Council uses public consultation, together with the results of relevant best value reviews, to inform decisions on funding priorities and corporate

objectives including cross-cutting issues. External stakeholders helped form the Council's corporate objectives for inclusion in the Strategic Plan. And separately, consultation on the Economic Development Programme (which cuts across all Council services and also across its boundaries with partner organisations) helps to shape the Programme's final actions and targets.

- 7.5 An ongoing corporate priority is to continue to meet the requirements of the Disability Discrimination Act standards for access to all council buildings. Considerable progress has already been made, but the later phases are more difficult to achieve and will be hard to fund without assistance.
- 7.6 The Council's corporate programme of asset disposals has been running strongly for many years. The proceeds are pooled and treated as a corporate resource, with Housing receipts traditionally being earmarked for the HIP (see paragraph 2.3 above).

8. CONCLUSION

- 8.1 The Council has identified investment needs of about £35m on Other Services and £9m on Council Housing. Shortage of resources means that only the most urgent Other Services schemes are achievable in the medium term. Even so, this is dependent on further successful access to external funding, and the Council must continue to seek imaginative solutions to achieving its investment objectives. Partnership working must be sustained and public consultation processes strengthened, as the Capital Strategy develops.
- 8.2 A key element of the Capital Strategy is the Local Strategic Partnership and Community Plan. These will enable the Council and its key partners (public, private and voluntary) to work together to address the needs of the Harrogate District more effectively.

9. PLAN MONITORING, REVIEW AND IMPACT ASSESSMENT

- 9.1 **Plan Monitoring.** The Capital Strategy will be monitored and progress reviewed on an annual basis by the Accountancy Manager and the outcomes reported to the Corporate Management Team and the Cabinet Member (Resources).
- 9.2 **Plan Review.** The Capital Strategy will be reviewed every three years in line with the review of the Council's Strategic Plan and Corporate Improvement Plan to ensure that changes in the Council's corporate priorities and ambitions are captured in the Capital Strategy.
- 9.3 **Impact Assessment.** The Council will evaluate how the Council's capital resources deliver its corporate priorities, service priorities and improvement agenda (as set out in the Strategic Plan and the Corporate Improvement Plan) and how they impact on Council services and the communities in the Harrogate District.

If you would like a copy of the Capital Strategy, please contact Paul Foster by telephone on 01423 556101 or by email at paul.foster@harrogate.gov.uk. The Capital Strategy is also available in alternative formats including large

print. If you wish to contact the Council for an alternative format of the Capital Strategy, please write to Customer Services, Harrogate Borough Council, Council Offices, Crescent Gardens, Harrogate HG1 2SG or ring 0845 3006091 or email customerservices@harrogate.gov.uk.

NON-HOUSING SERVICES CAPITAL PROGRAMME - SCHEMES FINANCED FROM OTHER SOURCES

Portfolio	2007/08 £	2008/09 £	2009/10 £	Financing/Additional Comments	Link with Corporate Priorities	AMP Ref	Project Assessment Score
EXPENDITURE							
HIC							
Royal Hall Refurbishment	1,333,000	200,000	0	Grant/Capital Resources	4 Caring for the Environment	4.12	3 (previous scheme score)
Royal Hall Restoration Trust Works	745,000	0	0	Grant	4 Caring for the environment	4.12	
	2,078,000	200,000	0				
Resources							
IT Development	253,120	377,410	272,350	Reserves/Revenue	7 Organisational Improvements	-	} Scores Awaited
Access to Services Projects	502,840	199,670	249,330	Grants/Reserves	7 Organisational Improvements	-	
	755,960	577,080	521,680				
Environment							
Vehicles and Plant Replacements	487,200	906,500	744,900	} Reserve Capital Resources	4 Caring for the / Environment/Organisational 7 Improvements	-	} Scores Awaited
New recycling vehicle	150,000	0	0				
Green Waste Recycling Bins	200,000	0	0		4 Caring for the Environment	-	
	837,200	906,500	744,900				
Transport							
West Park Multi-Storey Car Park Works	20,000	100,000	100,000	} On Street Parking Income	2 Traffic and Transport	6.17	72
Victoria Multi-Storey Car Park Lift /Other Works	100,000	20,000	20,000		2 Traffic and Transport	6.17	
Accident Prevention	40,000	40,000	40,000		2 Traffic and Transport	-	78
Safe Routes to Schools	15,000	15,000	15,000		2 Traffic and Transport	-	
Future Parking provision, Market Towns	240,000	230,000	230,000		2 Traffic and Transport	7.0	
	415,000	405,000	405,000				
Cultural Services							
Open Spaces – Commuted Sums	150,000	150,000	150,000	Committed sums	6 Delivering first-class public services	-	Score Awaited 10 (previous scheme score)
Coppice Nursery Improvements to Outdoor Area	22,000	0	0		6 Delivering first-class public services	6.17	
	172,000	150,000	150,000				
TOTAL	4,258,160	2,238,580	1,821,580				

**NON-HOUSING SERVICES CAPITAL PROGRAMME –
SCHEMES FINANCED FROM OTHER SOURCES – CURRENT YEAR MONITORING**

2006/07				
Original Programme	Monitoring October 2006	Latest Forecast	Link to Corporate Action Plan	AMP Ref
£	£	£		
EXPENDITURE				
LEADER PORTFOLIO				
HIC				
Royal Hall Refurbishment	5,300,000	5,809,000	4- Caring for the environment	4.12
Restoration Trust Works	0	0		4.12
	5,300,000	5,809,000		
		316,490		
		6,125,490		
RESOURCES PORTFOLIO				
Property				
Victoria Park House Underpinning	122,000	122,000	6 – Delivering first class public services	6.10
Crescent Gdns/Knapping Mount Customer Services Unit	0	87,770		3.6
Market Place Ripon (West), Grant	0	100,000		7.0
Knapping Mount Security and Safety Works	0	33,000		-
Public Conveniences	40,000	0		7.0
Miscellaneous Slippage	0	23,190		-
	162,000	365,960		
Information Technology Development			7 – Organisational Improvement	-
Computer Investment Reserve	686,500	920,600		-
Access to Services Project	506,280	608,300		-
	1,192,780	1,528,900		
PUBLIC PROTECTION AND RURAL AFFAIRS PORTFOLIO				
Cemeteries and Crematoria				
Mercury Abatement Works	450,000	438,000	4 – Caring for the Environment	5.20
	450,000	438,000		
ENVIRONMENT PORTFOLIO				
Vehicles and Plant	637,350	798,870	6 – Organisational Improvements	-
	637,350	798,870		
PLANNING AND TRANSPORT PORTFOLIO				
Transport				
West Park Multi-Storey Car Park – Works	50,000	0	2 – Traffic and Transport	6.17
Victoria Car Park Lift Replacements	0	110,000		6.17
Victoria Car Park, Equipment and Screens	20,000	35,030		6.17
Highways, Minor Capital Schemes	55,000	95,540		-
Miscellaneous Schemes (slippage)	0	7,500		-
Commuted Sums Schemes (slippage)	0	176,770		-
	125,000	424,840		
CULTURAL SERVICES PORTFOLIO				
Open Spaces - Commuted Sums	150,000	150,000	6 – Delivering first class public services	-
Miscellaneous Slippage	0	175,030		-
	150,000	325,030		
TOTAL OUTSIDE TARGETS	8,017,130	9,690,600		
		10,184,290		