

MAIDSTONE BOROUGH COUNCIL

CABINET

12 JUNE 2013

**REPORT OF THE CORPORATE SERVICES OVERVIEW AND
SCRUTINY COMMITTEE**

Report prepared by Orla Sweeney, Overview and Scrutiny Officer

1. Capital Programme Review

1.1 Issue for Decision

1.1.1 To consider the recommendations within the Capital Programme Review report attached at **Appendix A**.

1.2 Recommendation of the Corporate Services Overview and Scrutiny Committee

That the Cabinet agrees the following recommendations:

1. That the Committee endorses Prudential borrowing for the types of capital schemes that provide revenue return;
2. That the Cabinet Member for Corporate Services authorises the Property & Procurement Manager to produce a brief and succinct stand-alone Capital Strategy which will:
 - a) enable wider engagement with the Capital Programme; and
 - b) enable capital projects to dovetail with relating strategies and plans such as the Asset Management Plan and Commissioning & Procurement Strategy.
3. That the Cabinet Member for Corporate Services authorises the Property & Procurement Manager to:
 - a) advertise across the Council the process and timeline for the development of the Capital Programme; and
 - b) actively encourage ideas and proposals from all officers and Members.

4. That the Cabinet Member for Corporate Services authorises the Property & Procurement Manager to establish a Capital Programme Sounding Board with cross party representation to evaluate proposals put forward and improve the transparency of the process for establishing a rolling Capital Programme.
5. That Cabinet Member for Corporate Services also actively encourage ideas and proposals from the community; students and local businesses.
6. That Cabinet Member for Corporate Services recognises the importance of local involvement and the inclusion of the third sector and smaller, local developers as well as big developers in capital projects and partnership and authorises the Property & Procurement Manager accordingly.
7. In recognising the need to build on officers' Project Management skills, that the Cabinet Member for Corporate Services works with the Head of Human Resources to ensure that these skills are used, retained and enhanced in order to ensure the delivery of a successful Capital Programme.
8. That the Cabinet Member for Corporate Services authorises the Property & Procurement Manager to develop an Asset Disposal, Management and Acquisition Strategy that:
 - a) facilitates aspirational area development plans to enable both short-term and long term planning and to allow opportunities to be taken when they arise; and
 - b) includes assets owned by other public bodies.
9. That the Cabinet Member for Corporate Services facilitates the delivery of a coherent approach to capital led regeneration, by actively seeking to improve relationships with partner agencies including Kent County Council, Network Rail, NHS and other relevant public sector organisations.
10. That the Leader and Cabinet Member for Economic and Commercial Development drives forward the Capital Programme either through disposal, acquisition or swapping to stimulate economic growth, regeneration and the future shape of the Borough, by exploiting the Councils assets to their full potential.

11. That the Cabinet Member for Corporate Services requests the Head of Human Resources to establish a skills inventory in order:
 - a) to facilitate and promote flexibility of internal expertise; and
 - b) to compliment the skills that it makes economic sense to buy in for specific projects.
12. That the Council consider the appointment of a dedicated external funding officer on the basis of the post becoming self-funding and enabling both the council and the community in accessing funding opportunities that could help deliver the Council's Capital Programme. The Committee recommends that this post is initially funded for a 2 year term and financed from the Revenue underspend 2011/12
13. That the Cabinet Member for Corporate Services commissions a taskforce/asset strategy group with the internal expertise and involvement of Development Control, Legal, Property and Procurement, whose primary role will be to assess commercial skills, to ensure viability assessments and briefs for a contract specification.
14. That Cabinet ensures that opportunities that may arise in the short term and long term are not lost, by having the vision and awareness of the tools available to set up a Joint Venture Partnership.

1.3 Reasons for Recommendation

- 1.3.1 At the meeting of the Corporate Services Overview and Scrutiny Committee on 22 May 2012, Members resolved to conduct a review of the Capital Programme.
- 1.3.2 The Committee developed the terms of reference for the review at its meeting on 12 June 2012 and appointed members to the Capital Programme Working Group.
- 1.3.3 Its starting point was to establish what the Council's policy was for developing a Capital Programme and how it contributes to delivering on the outcomes of its strategic priorities: For Maidstone to have a growing economy; For Maidstone to be a decent place to live; and Corporate and Customer Excellence.
- 1.3.4 The Working Group sought to establish a means by which the Council could continue to deliver an ambitious Capital Programme, exploring

borrowing options and innovative ways of utilising the Council's available finances and assets.

- 1.3.5 The Working Group's investigations naturally progressed to considering the Council's involvement in development which contribute to and promote economic growth. These included Woking Borough Council's ventures as Woking Borough Homes Ltd and Wolsley Place Shopping Centre. The Trafford Centre and Maidstone's Fremlin Walk Shopping Centre were also evaluated.
- 1.3.6 Members of the Working Group conducted a wide range of desktop research and explored the concept of land assembly and acquisition in relationship to Maidstone so that they could establish whether or not Maidstone Borough Council should have a future role in shaping Maidstone. An expert witness was identified for this purpose from Smiths Gore.
- 1.3.8 Having considered the evidence, the Committee approved a wide range of recommendations that will enable transparency, continuity and forward planning in the Council's Capital Programme. There is a definite focus on making efficient and effective use of the Council's and Maidstone's assets which includes land and property and the knowledge and innovation of both staff and residents. The recommendations in this report embody a sense of belonging and community that will help shape the future of Maidstone with the people of Maidstone for the people of Maidstone.
- 1.3.9 The Committee's long term commitment to engaging fully with the Council's medium term financial strategy in order to continue to make tangible financial recommendations as part of its remit, is reflected in the recommendations made.

1.4 Alternative Action and why not Recommended

- 1.4.1 The Cabinet Member could decide not to endorse any of the recommendations within the Capital Programme report, however the recommendations are based on evidence from a range of sources and support the Council's objectives with regard to ensuring "effective, cost effective services are delivered across the borough", as outlined at 1.4.

1.5 Impact on Corporate Objectives

- 1.5.1 The Council's Strategic Plan 2011-2015 lists " For Maidstone to have a growing economy; For Maidstone to be a decent place to live; and Corporate and Customer Excellence" as key priorities. The recommendations within the report contribute to the fulfillment of these objectives.

1.6 Risk Management

1.6.1 The Recommendations contained within the report will need to be risk assessed as part reviewing whether they should be accepted or not.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Social Inclusion	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	X
9.	Asset Management	X

1.8 Appendices

Appendix A - Corporate Services Overview and Scrutiny Committee
"Capital Programme Review";

Appendix B - Corporate Services Overview and Scrutiny Committee
"Appendix A to report";

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes No

Reason for Urgency

N/a