



AGENDA

NOTE: In the case of non-members, this agenda is for information only

- Committee - **BUSINESS IMPROVEMENT AND PROJECTS SUB-COMMITTEE**
- Date & Time - Tuesday, 24th May, 2011 at 9.30 am
- Venue - Norfolk Room, Elizabeth House, Dereham NR19 1EE

Members of the Sub-Committee requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting. If the information requested is available, this will be provided, and reported to the Sub-Committee.

Members of the Sub-Committee

Mr W.H.C. Smith (Chairman)

Mr P.D. Claussen

PERSONS ATTENDING THE MEETING ARE REQUESTED TO TURN OFF MOBILE TELEPHONES

Member Services
Elizabeth House, Walpole Loke,
Dereham Norfolk, NR19 1EE

Date: Friday, 13 May 2011

PART A - ITEMS OPEN TO THE PUBLIC

	<u>Page(s) herewith</u>
1. <u>INTRODUCTION TO NEW BUSINESS IMPROVEMENT AND PROJECTS AGENDA</u>	1
<p>At Cabinet on 5 April 2011 it was agreed to form a new Sub-Committee combining and replacing the Capital Programme Working Group (CPWG) and the Business Improvement Sub-Committee (BISC). The Terms of Reference for the new Business Improvement and Projects Sub-Committee (BIP SC) are attached for information.</p> <p>The new agenda for the BIP SC is designed to ensure that the Terms of Reference are met.</p>	
2. <u>APOLOGIES</u>	
<p>To receive any apologies for absence.</p>	
3. <u>MINUTES</u>	
a) <u>Business Improvement Sub-Committee</u>	2 - 6
<p>To confirm the Minutes of the meeting held on 12 April 2011.</p>	
b) <u>Capital Programme Working Group - 9 November 2010</u>	7 - 9
<p>To confirm the Minutes of the meeting held on 9 November 2010.</p>	
4. <u>ACTIONS ARISING</u>	10
<p>To note the progress of actions from the last meeting.</p>	
5. <u>URGENT BUSINESS</u>	
<p>To consider any urgent business.</p>	
6. <u>DECLARATION OF INTERESTS</u>	
<p>Members are asked at this stage to declare any interests they may have in any of the following items on the agenda. The Members' Code of Conduct requires that declarations include the nature of the interest and whether it is a personal or prejudicial interest.</p>	
7. <u>NON-MEMBERS WISHING TO ADDRESS THE MEETING</u>	
<p>To note the names of any non-members who wish to address the meeting.</p>	
8. <u>CAPITAL PROGRAMME UPDATE</u>	
a) <u>Capital Programme 2010/11 - 2011/12</u>	11 - 12
<p>The Capital Outturn report for 2010/11 is attached. It details the final budget and spend for 2010/11 and also requests that some funding is carried over to 2011/12. This request will go to Cabinet 14th June for approval.</p>	

	<u>Page(s)</u> <u>herewith</u>
<p>It also details the proposed budget for 2011/12 resulting from the original budget plus carry over.</p> <p>Members are asked to note the Capital outturn for 2010/11 and proposed budget for 2011/12, support the recommendation for funding carry-over and request further information if required.</p>	
<p>b) <u>Available Funding</u></p> <p>Once Final Accounts for 2010/11 are finalised an update will be provided on available capital finance moving forward.</p>	
<p>c) <u>Capital Strategy</u></p> <p>The Capital Strategy is a key document providing the framework under which the capital programme operates. It details the approach to prioritising capital spend through to how projects are managed and monitored. The Strategy highlights the key risks and issues facing the Council and links to other strategies and plans.</p> <p>This document is being refreshed and is going to Cabinet for approval on 26th July. It has been circulated to Service Managers for comment and the draft document will be presented to BIP SC at its July meeting prior to proceeding to Cabinet.</p> <p>The current Strategy is attached for information as this is the overarching document that guides the release of capital funding which falls within the remit of the BIP SC.</p> <p>Members are requested to review the Capital Strategy and request further information if required.</p>	13 - 28
<p>9. <u>GOVERNANCE REPORT ON CAPITAL PROGRAMME</u></p> <p>Members are requested to review the Programme and request further information if required.</p>	29
<p>10. <u>RELEASE OF FUNDING</u></p> <p>There is an indicative budget of £1million in the capital programme for Street Lighting. A PID and Proforma B are attached.</p>	30 - 41
<p>11. <u>CUSTOMER CONTACT CENTRE - SINGLE BENEFIT</u></p> <p>To receive an update.</p>	
<p>12. <u>LICENSING - MOBILE WORKING</u></p> <p>Report of the Assistant Director Commissioning.</p>	42
<p>13. <u>LICENSING PROPOSALS</u></p> <p>To receive a verbal update from the Assistant Director Commissioning.</p>	

BUSINESS IMPROVEMENT AND PROJECTS SUB-COMMITTEE

TERMS OF REFERENCE

- Co- ordinate the needs and understand the overall capital strategy, manage capital resources and deliver projects which meet corporate objectives in accordance with recognised project management principles.
- To set and review the Council's ICT Strategy, ensuring that this is aligned to the Council's Business Plan and other stated policies.
- To monitor the ICT Strategy and Capital Programme performance in line with the Council's performance framework.
- Review performance reports for the capital programme with particular regard to comparison of actual expenditure against budgets, variance and exception reports and the impact of project delays.
- Review changes required to funding and approve changes to schemes that do not affect funding.
- To review new project proposals (including all ICT, Business Improvement Team and Capital Programme applications) ensuring that its business case and PID supports the Council's Business Plan.
- To resolve, within budget, any funding or performance issues identified by the project or service manager relating to individual projects.
- Ensure risk is managed according to the Council's risk management strategy.
- Undertake post-implementation reviews on selected completed capital projects.

BRECKLAND COUNCIL

At a Meeting of the

BUSINESS IMPROVEMENT SUB-COMMITTEE

**Held on Tuesday, 12 April 2011 at 10.00 am in
Anglia Room, Conference Suite, Elizabeth House, Dereham NR19 1EE**

PRESENT

Mr W.H.C. Smith (Chairman) Lady Fisher
Mr P.D. Claussen

Also Present

Mr S.G. Bambridge Mr J.P. Cowen
Councillor Claire Bowes Mr P.J. Duigan

In Attendance

Margaret Bailey	- Senior Accountant Capital and Treasury
Stephanie Butcher	- Principal Licensing Officer
David Green	- Corporate Projects Manager
Terry Huggins	- Chief Executive
Maxine O'Mahony	- Director of Commissioning
Nigel Payne	- Environmental Health Manager
Kevin J Taylor	- Head of ICT
Roger Wilkin	- Interim Business Development Manager

35/11 MINUTES (AGENDA ITEM 1)

- (a) To confirm the Minutes of the meeting held on 1 March 2011

The following actions were noted:

- An update on the emergency generator including progress, costs and Bunker provision was required at the next meeting.
- Hometrack – following the meeting it was confirmed that the project had been delivered and the system was fully installed and working.
- An update on Contact Centre data collection, client management, customer ownership and the meeting with ARP was required at the next meeting.
- Insufficient information was available to update Members on the possibilities for Contact Centre assistance to the DWP regarding the single benefit. The item would be put on future agendas for update.
- It was confirmed that the new version of Lagan was live and performing well.
- The need for marketing of ideas and the lack of a marketing strategy would be discussed at the next meeting.
- A report on Licensing mobile working would be presented to the next meeting.

Action By

**Teresa
Cannon**

**Maxine
O'Mahony**

**Vicky
Thomson
Stephanie
Butcher**

Action By

The minutes of the meeting held on 1 March 2011 were confirmed as a correct record and signed by the Chairman.

(b) To confirm the Minutes of the meeting held on 30 March 2011

The minutes of the meeting held on 30 March 2011 were confirmed as a correct record and signed by the Chairman.

36/11 APOLOGIES (AGENDA ITEM 2)

Apologies had been received from the Monica Coffey, Customer Programme Manager.

37/11 URGENT BUSINESS (AGENDA ITEM 3)

None.

38/11 DECLARATION OF INTERESTS (AGENDA ITEM 4)

None.

39/11 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 5)

Mr Bambridge, Councillor Bowes and Mr Cowen were in attendance for Agenda Item 6 only.

Mr Duigan was also in attendance.

40/11 MEMBERS' ICT OPTIONS (AGENDA ITEM 6)

The Interim Business Development Manager apologised for the lateness of the supplementary report which was tabled at the meeting. He explained that he had only recently been appointed and he had reviewed the previous report and undertaken the additional work required.

The key issue was Member support. The hardware could be purchased by cost effective procurement through the Council but the way in which support was provided needed to be reviewed. Some work had already been done and indicated that there was scope to improve value for money.

The report recommended Option 1 as the optimum solution, and a review of the support provision.

The Chairman of the Overview & Scrutiny Commission was in attendance. He had also chaired the Joint Audit & Scrutiny Panel meetings. The Panel had received the Interim Business Development Manager's report at a meeting earlier that morning. He said that the presentation had made a lot of sense and the Panel were recommending Option 1 with the additional note that some Members preferred desktops to laptops.

The Panel had also raised the following points:

Action By

- 'Twin hatters' (Members that were both District and County Councillors) - there was concern that Breckland residents were paying for equipment used for County Council work. The Assistant Director of Finance had advised that there was a 50/50 split between twin hatters using Breckland equipment and those using County equipment. However, if in future more Members chose to use Breckland equipment, this would need to be reviewed;
- There were some Citrix compatibility issues which needed to be investigated and clear guidance should be given to Members;
- As well as laptops/desktops, Members needed to be able to scan, copy and fax documents. Duplex printing would be more economical;
- Member Support would need to be developed in more detail to ensure that Members were supported as fully as possible;
- Training, specific to the equipment provided, would be required;
- The possibility of procuring the same equipment as South Holland should be explored;
- Reliable routers were needed; and
- More use of 'remote' assistance rather than home visits.

The Business Improvement Sub-Committee Chairman noted that the option chosen had to provide best value and be fit for purpose. There were real Health & Safety issues with the existing system of Member support and the in-sourcing of the IT contract provided a significant opportunity for improvements in IT support for the whole Council.

Members agreed and also suggested that there might be a business case to refresh equipment on a four yearly basis in future.

The Senior Accountant Capital and Treasury noted that if Members were minded to support the recommendation they should also authorise the release of the funding required.

Options

- Laptops provided by the Council
- A Member Allowance

Reasons

See report.

RESOLVED that:

- (1) Option 1, direct provision of a laptop/desktop and printer from the Council, with on-going support and maintenance from the IT department be approved;

Action By

- (2) a review of the provision of Member IT support be carried out in order to ensure that it is provided in the most cost-effective manner; and
- (3) £34,020 funding be released from the Refresh budget.

41/11 STERIA INSOURCING PROJECT (AGENDA ITEM 7)

The Head of ICT updated Members on the project which was on track and going according to plan.

A paper on the Steria TUPE proposals had been approved by the General Purposes Committee on 30 March 2011.

Negotiations were on-going with third party suppliers who were contracted until September 2011.

The next meeting of the Project Board would take place on 13 April 2011.

The Corporate Projects Manager confirmed that everything was on track for the 1st May transfer.

42/11 FINANCE (AGENDA ITEM 8)

The Senior Accountant Capital and Treasury tabled a report on the Capital outturn for 2010-11. She apologised for the lateness of the report which was due to Year End pressures.

She explained the contents of the report and advised that a request to carry-over the £548,837 of un-spent budget would be made to Cabinet in June. She asked Members to confirm that they were satisfied that the explanations, for the need to carry-over, were adequate.

She pointed out that there might be an issue as there were three amounts of funding not yet released and no projects were listed against them. She also advised that the £584,837 would be the only funding available for 2011/12.

The Chairman asked for a list of projects to be provided to support the recommendation.

**Maxine
O'Mahony**

RESOLVED to:

- (1) note the virements, final budgets and outturn position as detailed in the report; and
- (2) **RECOMMEND TO CABINET** the carry over of unspent funding of £548,837 included in the Capital Outturn report.

43/11 NEXT MEETING (AGENDA ITEM 9)

The arrangements for the next meeting on 24 May 2011 were noted.

Action By

44/11 EXCLUSION OF PRESS & PUBLIC (AGENDA ITEM 10)

RESOLVED that under Section 100(A) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

45/11 LICENSING PARTNERSHIP (AGENDA ITEM 11)

The Principal Licensing Officer presented the report.

The Chairman was concerned that there did not seem to be a Marketing Strategy to support this kind of enterprise.

The Chief Executive acknowledged that there was a missing link between service ideas and the Marketing Department.

With regard to the report he suggested that the way forward might be to offer a service rather than engage in a partnership. There were other opportunities to develop.

It was therefore **RESOLVED** that subject to the removal of the word 'partnership' the recommendations in the report be supported.

The Chairman asked that an update be provided at the next meeting.

**Stephanie
Butcher**

The meeting closed at 11.02 am

CHAIRMAN

Meeting: Capital Programme Working Group

Date: 9th November 2010

Attendees: Steve Udberg (SU), Monica Coffey (MC), Margaret Bailey (MB), Darryl Smith (DS), Mark Stanton (MS), Mark Finch (MF), Ralph Burton (RB)

Apologies: Kim Parks(KP), Stephen Askew, Claire Bowes

	Owner
<p>1 - Minutes of last meeting 10-07</p> <p>As meetings in July and September were cancelled due to non attendance, last minutes for consideration were 19th May which were agreed.</p> <p>General discussion took place re status of group and how can funding be released with no Members present and what is status of group? There were two requests for funding on agenda so this is an important issue and it was agreed that funding would be requested via blue forms and MF would highlight the issues of attendance at the group with Maxine and Stephen Askew.</p> <p>Action MF to highlight the issues of attendance and status of CPWG with Maxine and Stephen Askew.</p>	<p>MF</p>
<p>2 – Capital Programme 2010/11 10-08</p> <p>Capital FPR as at September was reviewed and discussed where further clarity was required on forecast outturn was required MB would follow this up</p>	
<p>3. Capital programme 2010/11 – 2014/15 10.09</p> <p>Capital programme moving forward was discussed. £8m capital programme. Some detail was discussed. Street Lighting – unlikely to spend anything in 2010/11 but still require full £1m budget. SU queried how investment strategy initiatives are shown – MB confirmed that there is no spend in capital budget allocated to initiatives and all capital receipts are currently in the pot for financing the general capital programme as opposed to funding specific investment initiatives. Availability of cash was discussed. AMP in progress – this may highlight strategic spend requirements – currently no budget provision. MB confirmed that this all highlighted the importance of the annual budget setting cycle where SM's should highlight their possible capital budget requirements moving forward so that where there are competing demands,</p>	

<p>they can be assessed and prioritised as opposed to a first come first serve basis. It was important that where requests for capital come forward on an ad hoc basis, proforma B's highlighted the issue of diminishing capital resources and the possibility of compromising future initiatives in the absence of a fully planned programme. DS highlighted fact the RTB receipts are now subject of pooling @ rate of 100% - an issue for future RTB forecasting as income will not be attributable to BDC.</p>	
<p>4. Governance report including project updates</p> <p>10.10</p> <p>Governance report highlighted those reports that were due and they were considered in turn.</p> <p><u>Post Project review – Thetford Market place</u> Some time since project complete and whilst less parking spaces, project still deemed to be a success.</p> <p><u>Post Project review - Elizabeth House</u> Retention sums still being held back re water issues. Lessons learned – need design consultation with users. Layout is an issue – CCTV required, toilets, access etc. Incident in reception has highlighted need to ensure procedures for raising alarm and attending are clearer. Need training on dealing with challenging people to be as wide as possible.</p> <p><u>Post project review - Victory park</u> Post project review focussed on the actual project objectives as opposed to focussing on financial issues and the “investment decision”. It has delivered land and infrastructure but unlikely to sell in 2010/11 and land is being parcelled for phased release</p> <p><u>Project Update – Asset Management System</u> Go Live proper will be in January 11 – training of users in hand.</p> <p><u>Release of Funding – Affordable Housing</u> The report detailed the reasons for request of release of funding – BDC 250k would unlock a much larger project drawing in significant investment. Release was agreed subject to blue form as Members were not present at meeting.</p> <p>Action Complete blue form for release of 250k Affordable Housing budget</p> <p><u>Release of funding – Commercial property</u> Request was to draw down 2011/12 funding early to secure a tenant. This is not possible as 10/11 budget not yet approved. It was agreed that the most appropriate way to fund this would be to increase the 2010/11 probable which will be approved as part of budget setting process but as there is a time delay, fund from the commercial property reserve in the first instance and report if necessary via Governance report and once capital budget approved, ensure expenditure is correctly charged (recognising that if the budget is not approved, the expenditure will remain chargeable to the CP reserve)</p> <p>Action</p>	<p>MB/DS</p>

<p>MB to amend Capital budget to reflect the extra 70k required and expenditure to be charged to CP reserve in first instance</p>	<p>MB/RB</p>
<p>5. Funding 10.11 It was agreed this had been covered under section 3</p>	
<p>6. Matters arising from BISC 10.12 None</p>	
<p>7. Section 106 10.13 Group questioned why S106 came to CPWG. MF confirmed it ensured there was a regular update that detailed when receipts had to be spent by. DS confirmed this will become a much bigger issue that may need reviewing as S106 amounts increase.</p>	
<p>7. AOB 10.14 MS mentioned income generation activities falling under ED and it was agreed to discuss this after the meeting with MF and MB DS – John Room House – DS would provide an update at the next meeting RB – Play Areas – progressing and Zoe Footer is aiming to seek release of funding in 10/11</p>	
<p>Next meeting No date for the next meeting is agreed as it is dependent on conversations regarding the future of the group – as per min ref:10-07</p>	

Agenda Item 4

Action and date action requested	By who	Progress
12/4/2011 - An update on the emergency generator including progress, costs and Bunker provision was required at the next meeting	Theresa Cannon	<p>A meeting took place with EP/ICT/Asset and Jonathan Mason from Kings & Barnham on 15/4/11 to discuss issues and options for a generator at EH. Awaiting report from Kings & Barnham with costings etc - chased 6/5/11.</p> <p>The bunker could provide a Work Area Recovery location in the event of a business continuity incident affecting EH, housing the incident management team and staff required to deliver priority services. An assessment of the bunker was carried out on 6/4/11 - report received 5/5/11.</p> <p>Specialist contractor to visit site on 11/5/11 to advise on water hygiene management. Other specialist assessments may be required.</p>
12/4/2011 - An update on Contact Centre data collection, client management, customer ownership and the meeting with ARP was required at the next meeting.	Maxine O'Mahoney	Update deferred to future meeting
12/4/2011 - The need for marketing of ideas and the lack of a marketing strategy would be discussed at the next meeting.	Vicky Thomson	As the new Joint Marketing & Communications Team Leader was only appointed at the beginning of May, he will bring a report on this matter to the next meeting of the BIP SC.
12/04/2011 - A report on Licensing mobile working would be presented to the next meeting.	Stephanie Butcher	Mobile working progress and timescales attached
12/04/2011 - List of projects to be provided to support the recommendation (to carry over ICT capital funding) be provided	Maxine O'Mahoney	This is a priority for new ICT/Customer Managers and an update will be provided to next meeting
12/04/2011 - Update be provided at the next meeting on licensing partnership opportunities	Stephanie Butcher	Trading/Partnership – meeting arranged with Rob Walker for 3 rd May postponed until 16 th May. Chased South Holland re partnership meeting but still waiting for a response.

PROJECT	Revised Budget 2010/11	Virements	Final budget 2010/11	Actual spend 2010/11	Variance	Savings / (overspends) or removed from programme	Request to carry over to 11/12	2011/12 Original	New 2011/12 budget (proposed)	Notes
CCTV	97,955	0	97,955	100,957	(3,002)	(3,002)	8,742		0	
CCTV equipment	28,363	0	28,363	19,622	8,742				8,742	Carry over required as spend has not yet occurred but the spend is 100% funded therefore no cost to the Council
ARP - Set up costs of eds BDC led	271,756	0	271,756	254,551	17,205		17,205		17,205	Project not yet complete therefore carry over required
ARP - Set up costs of eds FHDC led	15,436	0	15,436	15,436	0		0		0	
ARP - Telephony FHDC led	23,235	0	23,235	23,235	0		0		0	
PFI Additions	52,452	0	52,452	52,452	0		0		0	Capital addition actioned at each yr end as part of PFI arrangement
Matched Funded Projects - unallocated budget	68,572	0	68,572	0	68,572		68,572	100,000	168,572	Funding not yet released but required for future applications
Matched Funded Project - Gt Duntham Village Hall	15,000	0	15,000	15,000	0				0	
Matched Funded Project - Old Buckenham Parish Council - Play	7,000	0	7,000	7,000	0				0	
Matched Funded Project - Garvestone Village Hall	20,000	0	20,000	20,000	0				0	
Matched Funded Project - Eccles Garner Hall	2,369	0	2,369	2,369	0		2,369		2,369	Project not yet complete therefore carry over required
Matched Funded Project - Scarning Pre-School	2,000	0	2,000	2,000	0		2,000		2,000	Project not yet complete therefore carry over required
Matched Funded Project - Attleborough Junior Football Club	1,485	0	1,485	1,485	0				0	
Matched Funded Project - Old Buckenham Cricket Club	1,509	0	1,509	1,509	0				0	
Matched Funded Project - Old Buckenham Village Hall	10,000	0	10,000	10,000	0				0	
Matched Funded Project - Hardingham Cricket Club	9,565	0	9,565	9,565	0				0	
Matched Funded Project - Garboldisham Cricket Club	20,000	0	20,000	20,000	0				0	
Matched Funded Project - Bawdeswell Toddler and Pre School Play Area	2,000	0	2,000	2,000	0				0	
Matched Funded Project - Weeting Playland	11,700	0	11,700	11,700	0				0	
Matched Funded Project - Hardingham Village Hall	20,000	0	20,000	20,000	0		20,000		20,000	Project not yet complete therefore carry over required
Matched Funded Project - Swanton Morley cricket Club	19,000	0	19,000	19,000	0		19,000		19,000	Project not yet complete therefore carry over required
Total Communities and Benefits	699,397	0	699,397	564,512	134,885	(3,002)	137,887	100,000	237,887	
Victory Park, Attleborough	5,871	0	5,871	7,747	(1,876)		(1,876)	20,083	18,207	Overspend from 2010/11 funded from 11/12 budget
Commercial Property Rolling Maintenance Fund	197,883	0	197,883	199,146	(1,263)		(1,263)	75,000	73,737	Overspend from 2010/11 funded from 11/12 budget
Contribution to Forum	40,000	0	40,000	36,205	3,795				0	
Minstergate	3,680,000	0	3,680,000	3,677,670	2,331				0	
Street Lighting (Funding not yet released)	0	0	0	0	0			400,000	400,000	
Total Economic and Commercial	3,923,754	0	3,923,754	3,920,768	2,986	6,125	(3,139)	495,083	491,944	
Disabled Facilities Grants	725,000	0	725,000	658,914	66,086		66,086	450,000	516,086	In 2011/12, the DFG grant is unringfenced and it is not mandatory for the Council to contribute 40% but the expectation is that Council's will. The budget was set on and continues to be set on this assumption that the Council would contribute 40%. Funding is received in advance and all expenditure is 100% grant funded. No additional allocation is currently expected.
Decent Homes Grants	159,856	0	159,856	46,692	113,164		113,164	281,755	394,919	Funding is received in advance and all expenditure is 100% grant funded. No additional allocation is currently expected.
John Room House Conversion	348,608	0	348,608	317,810	30,798	3,438	27,360		27,360	Need to carry over 27,360 for retention payment which due 12 months after completion. As the project completion was delayed the retention is now due in 2011/12
Affordable Housing	250,000	0	250,000	250,000	0		0	250,000	250,000	
Planning and Building Control – TLC & GEODSYS	9,163	0	9,163	2,992	6,171		6,171		6,171	Carry over is required to finalise data migration. If unable to carry over the funds the Council will not have a fully computerised land charges system which may lead to complaints from service users.
St Mary the Less	47,000	0	47,000	52,159	(5,159)	(5,159)			0	Funding of £37,600 has been received from English heritage towards this expenditure. The balance of £14,559 is a cost to the Council. The owner is being pursued by NCC legal for the full cost of the works but it is not certain if and when the Council may be reimbursed
Total Planning, Health and Housing	1,539,627	0	1,539,627	1,328,567	211,060	(1,721)	212,781	981,755	1,194,536	

PROJECT	Revised Budget 2010/11	Virements	Final budget 2010/11	Actual spend 2010/11	Variance	Savings / (overspends) or removed from programme	Request to carry over to 11/12	2011/12 Original	New 2011/12 budget (proposed)	Notes
Govt Connect Phase 2	16,009	(1,161)	14,848	14,848	0	0	0	0	0	
PAYE net	25,000	0	25,000	2,985	22,015	0	22,015	22,015	22,015	Project not yet complete therefore carry over required
Secure Bureau Service	18,000	0	18,000	16,295	1,705	0	1,705	1,705	1,705	Project not yet complete therefore carry over required
Licensing systems	39,829	(8,500)	31,329	23,916	7,413	0	7,413	7,413	7,413	Project not yet complete therefore carry over required
ICT Connectivity	3,930	(3,930)	0	0	0	0	0	0	0	
2009/10 Refresh (carried over)	136,210	1,608	137,818	137,818	(0)	(0)	(0)	(0)	(0)	
Customer Services Centre Telephony - Dereham	49,667	23,273	72,940	13,192	59,748	0	59,748	59,748	59,748	Project not yet complete therefore carry over required
Customer Services Centre Telephony - Thetford	24,833	0	24,833	24,833	0	0	0	0	0	
Web Site	36,500	3,690	40,190	30,401	9,789	0	9,789	9,789	9,789	Project not yet complete therefore carry over required
VMI Ware	101,049	9,970	111,019	85,838	25,177	0	25,177	25,177	25,177	Project not yet complete therefore carry over required
LAGAN Upgrade	30,000	25,010	55,010	13,340	41,670	0	41,670	41,670	41,670	Project not yet complete therefore carry over required
Govt Connect Phase 3	49,805	4,980	54,785	43,546	11,239	0	11,239	11,239	11,239	Project not yet complete therefore carry over required
Projectors Committee Suite	14,020	1,660	15,680	14,890	790	0	790	790	790	project complete but carry over into ICT Strategy budget required
Copiers	6,590	400	6,990	6,990	0	0	0	0	0	
ARP - Web Server	0	0	0	0	0	0	0	0	0	
ARP Server	0	0	0	0	0	0	0	0	0	
ARP Contribution to ICT & Server refresh	79,200	0	79,200	59,294	19,906	0	19,906	19,906	19,906	Project not yet complete therefore carry over required
Project Management	87,000	(57,000)	0	0	0	0	0	0	0	
ICT Strategy Projects (Funding not yet released)	227,151	0	227,151	0	227,151	0	227,151	227,151	227,151	Funding not yet released but required to support ICT Strategy 2011/12
IT Refresh Programme (Funding not yet released)	87,529	0	87,529	87,529	0	0	87,529	87,529	87,529	£34k released at BISC 12/04/11 for Members ICT. The remaining balance has not yet been released but is required to support ICT Strategy 2011/14
ARP - Batch Scanners (Funding not yet released)	17,500	0	17,500	17,500	0	0	17,500	17,500	17,500	Funding not yet released but required to support ICT Strategy 2011/14
Total Corporate Resources (Funding not yet released)	1,019,818	0	1,019,818	488,186	531,632	0	531,632	531,632	531,632	
Customer Services Centre	35,500	0	35,500	49,496	(13,996)	(13,996)	0	0	0	£9,000 was approved as a revenue contribution to this project but this has not been attributed (creating a revenue saving). The actual overspend on the project was therefore £4,996.
Transfer of Play Areas to Town Councils	382,000	0	382,000	382,000	0	0	382,000	382,000	382,000	Some of this funding has been released but none has been spent but the whole budget is required in 2011/12
Total Environment, Communications and Wellbeing	417,500	0	417,500	49,496	368,004	(13,996)	382,000	382,000	382,000	
Grand Total	7,600,096	-	7,600,096	6,351,529	1,248,567	(12,595)	1,261,161	1,576,838	2,837,999	



Capital Strategy

PART 1

1.0 INTRODUCTION

Following best practice Breckland Council is required to renew its Capital Strategy on an annual basis. This ensures a strategy that maintains a strong and current link to our Business Plan.

The existing document was well received by the Audit Commission and contributed to Breckland Council scoring 3 out of 4 for its financial management arrangements under the Use of Resources regime.

The political climate has changed dramatically following the formation of the coalition government. Although central assessment of Local Government performance will undergo significant change, with the cessation of Comprehensive Area Assessment, the requirement for authorities to have a sound Capital Strategy does not diminish. Reduced government funding will impact on already limited financial resources, making the Capital Strategy an essential tool for the Council to focus its capital resources on outcomes that deliver maximum benefit to council tax payers in the district.

For the benefit of the reader the strategy has 3 key parts;

- Introduction
- Core Strategy
- Strategic Context

Please have a read of our strategy and we hope it provides you with the understanding you seek with regards to how we will manage the capital resources at our disposal to deliver our priorities.

PART 2**2.0 CORE STRATEGY**

This Core strategy explains how we will manage our capital resources to deliver our current and foreseeable capital programme.

From 2010 to 2015 the Council is likely to need significant investment to advance the priorities stated within its business plan. In order to do this we recognise a need to deliver efficiencies, seek additional funding and periodically review both the consumption of our capital resources and our stated priorities. We will ensure this happens through these 4 core principles,

Principle 1 – Managing the impact of investment decisions on our revenue budgets
We will do this by,
<ul style="list-style-type: none"> Ensuring capital investment decisions do not place additional pressure on Council Tax or our Medium Term Financial Strategy Promote capital investment which allows either invest to save outcomes or generates a revenue and/or capital return
Principle 2 – Optimise the availability of capital funding where that funding supports the priorities of Breckland Council
We will do this by,
<ul style="list-style-type: none"> Disposal of surplus assets and use them to reinvest Have effective working relationships with potential funders Listen to and support effective partnering arrangements Have clear policies for the consumption of our reserves
Principle 3 – Ensure we have effective pre and post project appraisal
We will do this by,
<ul style="list-style-type: none"> Ensuring a system of competition exists for project approval Build into project appraisal recognition of environmental sustainability Fully consider project risk Carefully consider Value for Money and Efficiency of every project
Principle 4 – Performance manage our capital programme
We will do this by,
<ul style="list-style-type: none"> Integrating the capital programme into our performance management framework Ensure our capital schemes use appropriate project management tools Expect responsibility for the delivery of the capital programme to be clearly defined Make sure our assets sweat through effective ongoing asset management, consistent with levels of investment

PART 3

3.0 STRATEGIC CONTEXT

3.1 About Breckland

Breckland District covers an area of 1,305sq kilometres and is one the largest rural districts in England. Nestled just on the Norfolk/Suffolk border and covering much of the South, West and central parts of Norfolk, Breckland is centred round the five market towns of Attleborough, Dereham, Swaffham, Thetford and Watton. The largest of these is Thetford with a population of over 23,900 and the smallest Watton with a population of just over 7,400. There are 107 Parish Councils, some covering more than one parish and just under two thirds of these have fewer than 500 residents. The area is one of the most rurally sparse in the country which sets particular challenges in terms of service delivery and demands on resources.

Breckland is one of the fastest growing areas in England; the population is 131,795 (according to the latest population figures) and is estimated to grow by a further 37,305 by 2031, which is an increase of 28% compared to the national average of 18% over the same time period. There are also a growing number of residents moving to the District mainly from Europe which is not reflected in census data.

Retail, distribution, catering, food processing, farming and manufacturing are key economic activities in the Breckland area and for much of the last decade some of these sectors have been in decline. Unemployment levels in the District had been relatively low at around 2% until 2008, when levels started to rise as a result of the current economic downturn. By May 2009 unemployment levels had risen to 3.6%, however this level is still below the national average of 4.1%. Some of the wards are the most deprived in the region, and there is a relatively large proportion of young people particularly in Thetford entering the job market. To respond to these trends the Council's regeneration and economic development activity centres on attracting high value technology and skilled employment opportunities, against a backdrop of the economic recession and rising unemployment.

Much of the land in Breckland is given over to agriculture and large open spaces of heath land, known as the Brecks, from which the district gets its name. The distinctive landscapes of natural habitat are of national and international importance. The climate combined with the soil conditions of sandy soil, chalk and flint, supports outstanding wildlife and plants. The area encompasses ancient heath lands and lowland pine forest most of which have public access. With its natural beauty, its wealth of history and many other attractions Breckland attracts an estimated 1.5 million visitors each year.

Local attractions include Banham Zoo, the National Trust's historic Oxburgh Hall near Swaffham, and the Neolithic flint mines at Grimes Graves, near Weeting. Just outside Dereham the Gressenhall Rural Life Museum is housed in a former workhouse or 'House of Industry'. Some 16 kilometres east of Thetford, just off the A11 Snetterton motor racing circuit is located which hosts major sporting events throughout the year.

3.2 Aims

The specific aims of this strategy are to ensure:

- Physical assets and related resources are efficiently and effectively used to support the Breckland Council Business Plan. These inputs will then be reviewed against the outputs from capital schemes to demonstrate Value for Money;
- Issues related to property and other assets are fully reflected in the Council's planning, specifically adequate funds for maintenance are available;
- The strategy itself is a useful tool to assist stakeholders understanding of the Council's decision making process and project management of its capital investments;
- Adequate provision is made for delivering corporate priorities and demonstrated through effective resource allocation;
- Invest to save and invest to earn projects are encouraged;
- The Council works within the prudential code framework and demonstrates robust and linked capital and treasury management;
- Review of the asset management plans to identify surplus assets which can move through a disposal process to generate new capital resources;
- Capital spending plans are affordable and integrated with the Medium Term Financial Strategy;
- Support for our partners by acting as an enabler in drawing down external funding for community projects. To further act as a match fund provider.
- Encourage inward investment into the district and innovative approaches to investment such as partnerships with the Private Sector and creation of new delivery vehicles

3.3 Strategic Links

This strategy is a high level summary of Breckland Council's approach to capital investment in the future of our District. It guides the development of service capital plans, and sets out the policies and practices that the authority uses to establish, monitor and manage the Council's capital programme, in line with the Medium Term Financial Strategy. Like the Medium Term Financial Strategy it is driven by the Breckland Council Business Plan; Growing Together¹, which takes account of both local improvement priorities and national priorities that are established through effective consultation with residents and our partners. The Business Plan (supported by departmental Annual Delivery Plans and Service Team Plans) therefore informs resource allocation, with changes to allocations determined in accordance with policies and priorities. Progress on achieving these objectives is closely monitored in accordance with the performance framework.

The Breckland Council business plan "growing together" is a guiding strategic document for the period 2009-2014. The document sets out our values and priorities that have informed the production of the Capital strategy.

These priorities provide the backdrop to the Medium Term Financial Strategy (MTFS) which in turn ensures all new resources, be it revenue or capital, are allocated through the principles on which it is based.

¹ Breckland Council Business Plan, Growing Together –
http://www.breckland.gov.uk/brdc_business_plan_for_web.pdf

Table 1 – Aims and Priorities

Priorities	Values
Building safer and stronger communities	Ensuring the communities are safe, secure, integrated with fairness and equality of opportunity for all.
Environment	Our Green Agenda
Prosperous Communities	Developing prosperous and sustainable communities
An entrepreneurial council	To recognise the full earning potential of the Council and ensure value for money
'Your Council' your services'	To tailor services to customer needs

This strategy is linked to a number of corporate strategies, underpinned by the Breckland Council Business Plan. The key strategies are:

- Sustainable Community Strategy 2008-2011
- Local Development Framework
- Treasury Management and Investment Strategy
- Medium Term Financial Strategy
- ICT Strategy
- Asset Management Plan
- Procurement Strategy
- Risk Management Strategy
- Value for Money/efficiency Strategy
- Asset Management Plan
- Crime and Disorder Strategy
- Cultural Strategy
- Housing Strategy
- Contaminated Land Strategy
- Local Area Agreement - Norfolk Ambition 2003 – 2023
- The Environment Strategy 2008-2013

These documents are available on the Council's web-site www.breckland.gov.uk

Capital projects are required to demonstrate a clear link with the Council's aims & priorities with many projects linking to more than one of the five key themes. Table 2 shows how our capital programme supports strategic priorities.

Table 2 – Linking capital resources to strategic fit for priorities: to be updated

Priority	Value of Schemes (£000s)		
	2010/11	2011/12	2012/13
Strategic fit			
Building safer and stronger communities	2,382	1,132	1,132
Prosperous Communities	128	75	75
Your Council, your Services	1,106		
The Entrepreneurial Council	447	2,569	
Total	4,063	3,776	1,207

The contents of table 2 reflect assumed levels of capital activity as at June 2010. In pursuit of its corporate priorities Breckland does not have a specific “statutory duty” to undertake economic development activities. However, in the Local Government Act 2000 all local councils were given legal powers to allow them to safeguard the “economic, social and environmental well-being of their areas”. It might be argued that there was little need for this legislation in Breckland, as for many years the Council has been delivering the right environment for business growth through its Economic Development Strategy.

Specifically the Thetford Growth Point Initiative is designed to provide support to local communities who wish to pursue large scale and sustainable growth, including new housing, through a partnership with Government. The Council is in the process of completing the LDF and the Capital programme will need to respond to deliver the requirements of the LDF in the Attleborough and Thetford areas.

The Council is committed to supporting development along A11 corridor, as well as recognising the impact on our environment. The national indicators will help to shape these strategies.

The Rural Enterprise Valley or REV programme is geographically focused on the area of the A11 that stretches from the west of Thetford, Norfolk to the western outskirts of Norwich. It is the overarching programme for economic focused initiatives being delivered and developed within this area including the Moving Thetford Forward programme and projects, and projects such as the Thetford enterprise Park (TEP) and Snetterton Utilities Project. An Integrated Development Strategy or IDP has been developed drawing on the existing planning policy and studies and sets out the areas infrastructure priorities that require capital investment to support future predicted population and housing growth and to grow existing and attract new business investment. A low carbon and sustainable approach is embedded within all future planned economic activity.

The Council is planning to undertake an independent asset health check that will be used as the foundation for developing and producing a completely new Asset Management Plan (AMP). The AMP will be developed in time to inform the preparation of the revenue budget and capital programme for 2011/12.

3.4 Capital Resources

The Local Government Act 2003 – which includes the legislation for the capital finance system – does not specify what precisely constitutes capital expenditure. Instead it:

- Refers to “expenditure of the authority which falls to be capitalised in accordance with proper practices”.
- Enables the Secretary of State to prescribe by regulation which local authority expenditure shall be treated as capital expenditure and which shall not be treated as capital expenditure
- Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall – or shall not – be treated as capital expenditure

The Council will set a de minimus limit of £20,000 for expenditure to be considered for capitalisation. The following categories of expenditure will require capital resources to fund their purposes:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- The acquisition, installation or replacement of movable or immovable plant, machinery and apparatus and vehicles and vessels
- The making of advances, grants or other financial assistance towards expenditure incurred or to be incurred on items detailed in points 1 to 3 above or on the acquisition of investments
- The acquisition of share capital or loan capital in any body corporate
- The issue of loan instrument in respect of which not all repayments by the authority are due within 1 year of issue
- Works to increase substantially the thermal insulation of a building
- Works to increase substantially the extent to which a building can be used by a disabled or elderly person
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year

Regulations state that expenditure on repair and maintenance which does not increase the life, value or extent of use of an asset is not deemed as capital expenditure.

The de-minimis is not applicable to capital grants which may be of any value and are made as a contribution to a larger capital scheme. The Council sometimes receives directives that grant contributions are to be applied as Capital expenditure. Should such directives be received, the Council will treat the grant as capital expenditure if the spend is deemed to meet grant conditions. From time to time the Council needs to buy vehicles and equipment and it is proposed that a new de-minimis of £10,000 is applicable to vehicles and equipment from 2010/11.

Balance of Funding

The Council's capital resources have mainly come from the disposal of its housing stock back in 1993. Prudent management of its finances since then has meant that Breckland has been able to retain most of its capital balances, funding the majority of its capital schemes from capital receipts generated by sales of land and 'right to buy receipts' from the sale of former council houses. Council practice has been to use the interest on investments to support the council tax, helping Breckland to charge the lowest district council tax of any district in England. Due to the current economic climate, reduced levels of investment income, together with lower interest rates continues to put significant pressure on the Council's revenue budget. In line with the Aims of this strategy as detailed in section 3.2, the Council will continually review expenditure and seek efficiency savings and potential income generating opportunities in its capital programme.

Capital Receipts

In recent years the capital receipts from the sales of the former housing stock has diminished, and coupled with increased capital spending on match funding initiatives and purchase of investment properties to generate additional revenue income, the capital resources available to fund capital schemes has reduced. The forward availability of capital receipts will play an important part in both the timing and scope of the capital programme. The Council is looking at innovative ways of obtaining residential units without drawing on capital resources.

Section 106 – Planning obligations

When the Council adopts land for open space or play area the developer pays a commuted sum under a 'section 106 agreement'. This is held on the balance sheet and the interest earned is transferred to the revenue account to offset the future maintenance costs of the recreation asset. The Council has wider powers under section 106 to provide infrastructure and facilities to support the local community, and employs an officer dedicated to supporting this function.

In addition to S106 agreements, the Council's LDF Core Strategy identifies that the Council will consider the use of either a development tariff or levy as a means of resolving strategic funding gaps between those items of infrastructure which will be covered by established (public) funding streams and the remaining infrastructure requirements which will deliver sustainable development. New legislation was introduced in April 2010 to facilitate the use of Community Infrastructure Levy (CiL) although the longevity of this mechanism is uncertain. However, the principle of developer tariffs is agreed and the Council will consider the application of any successor legislation.

External Grants and Contributions

The partnership approach to service delivery is a core belief of the Council. Through its services, partnership working, supportive funding and innovation, the Council will seek to attract investment into the District. Breckland has a Capital Match Funding reserve which it uses to support community and economic development projects. The amount earmarked in capital receipts for 2010/11 currently stands at £210k at 1st April 2010 with a further 100k per annum allocated in the capital programme. We are dependant on external funding to support our programme. This tends to be for specific purposes. Both through European funding, Regional Funding (EEDA) and working with public and private sector partners we are able to make better use of your money. The Thetford Enterprise Park scheme is included within the approved capital programme and makes use of substantial external funding and collaboration with the private sector. Although European funding remains an option in the future, central government funding is likely to be constrained as capital for existing and new programmes is reduced or deleted. This means Local Authorities will need to look at working more closely with the private sector to fund infrastructure and utilities to support population and housing growth.

Borrowing

Following the introduction of the 'Prudential' framework for local authority capital finance from 1 April 2004, the Council can now determine what level of long term borrowing it wishes to undertake to finance its capital priorities, within the framework of prudent, sustainable and affordable borrowing. The Council has a policy of maintaining a low council tax and therefore has no intention to undertake any unsupported borrowing, whilst it still has reasonable capital receipt resources available. Regulations require the Council to approve its 'Prudential Indicators' at least annually. Following the introduction of the International Financial Reporting Standards from April 2010, the Council has amended it's Prudential Indicators.

Revenue contributions

The Medium Term Financial Plan does not currently make any provision for an annual revenue contribution in support of capital expenditure. It is likely, once balances have been assigned and assessed to best support opportunities for capital expenditure that longer term aspirations would be to build this capacity into the annual budget setting process. A sum of £2.194m revenue funding is available to draw on for match funding capital and revenue projects and this will be kept under review.

Balances and Reserves

Breckland council holds a healthy level of both general and specific reserves. This reflects the robust financial management and policy decisions made in recent years and offers an additional resource to support capital expenditure. A clear policy on reserve levels is maintained.

New sources

The Council has awareness of future capital resources through either the Local Area Agreement or taking advantage of close working with the both Private, Public and the Voluntary Community.

Table 3 – Summary of Estimated Capital Resources (based on current budgets)

Resources	2010/11 (£'000s)	2011/12 (£'000s)	2012/13 (£'000s)	2013/14 (£'000s)	2014/15 (£'000s)
Opening Balance	16,142	14,901	12,152	11,772	11,627
Less capital spend	(4,063)	(3,776)	(1,207)	(840)	(835)
Plus capital receipts	1,924	450	250	250	250
Plus specific funding received	770	502	502	370	370
Plus revenue reserve	128	75	75	75	75
Balance remaining	14,901	12,152	11,772	11,627	11,487

This table sets out the position of the Capital Financing Requirement, adjusted for expected capital programme spend and forecast sources of funding. By March 2015 the Capital Financing Requirement reduces to £11.5m indicating the amount Breckland would have to spend before needing to borrow to fund capital expenditure. The opening and closing balances exclude adjustments for PFI and Finance Leases which effectively reduce the available capital resources until such time as principal payments are received.

The available balances assume that the Icelandic repayments of £8.103m are repaid in line with the latest distribution forecasts. Were some or all of this not repaid, or if repayment is delayed it would affect the Council's ability to spend.

3.5 Framework for managing and monitoring performance

There are two functions associated with the management of the Capital Programme:-

- Allocation of capital funding
- Monitoring the delivery of the capital programme

Allocation of Capital Funding involves these functions:

- The assessment of the available funding resources
- Assessment of proposed schemes and business cases
- Prioritisation of schemes
- Recommendations of approval of schemes within the programme
- Approval of change control to Capital schemes where this changes funding requirements

These functions will be undertaken by Corporate Management Team/Cabinet/Council. In summary the capital budget is agreed annually along with any revenue implications, which are factored into revenue planning. The budget is set in accordance with the timetable laid out in the Medium Term Financial Strategy. The programme is approved by Council in December to allow schemes to commence during the following year. Cabinet will consider the prioritisation of capital schemes before recommending budgets for approval. A Bidding Form is used for all capital projects to enable indicative funding to be allocated to projects (Appendix A). This is followed up by a more detailed PID prior to release of funding to ensure the project is deliverable.

Monitoring of the delivery of the Capital Programme involves these functions:

- Approval of the individual project initiation documents (PID) for each scheme
- Regular review of project progress and forecasting including achievement of key milestones, outputs and outcomes
- Management of risks and issues
- Removal of barriers to delivery
- Approval of any changes to schemes not requiring funding changes
- Reporting on required funding changes
- Post implementation review taking account of any corporate learning opportunities

These functions will be delivered by Officer and Member working groups. The Capital Programme Working Group will undertake these functions for the capital programme (excluding ICT) and the Business Improvement Sub-Committee will undertake these functions for ICT Business improvement projects. The groups will consist of key staff charged with responsibility for corporate reporting and programme delivery. The groups will meet on a quarterly cycle or more often if required

Budgets for individual schemes are assigned to lead officers who are responsible for delivering the project on time and to budget. The lead officers are responsible for managing capital projects, including Capital bid forms, PID's, procurement, contract management, and post implementation reviews. Support from Accountancy, Procurement, Legal and Performance is provided on a regular basis in the form of monthly financial monitoring statements

Progressing schemes in accordance with agreed timescales is an important aspect to managing the capital programme. Progress is monitored in accordance with the Council's Performance Framework. Costs incurred compared to budget are monitored on a monthly basis in line with revenue budgetary control.

Progress against the capital programme is reported quarterly to Cabinet allowing a continuous cycle of monitoring and forecasting. The bidding round will be conducted annually so that every year the 5 year programme is reviewed and refined and reflects the latest corporate priorities.

Performance measurement

The Council is determined to ensure high quality customer-focused services for all our residents and visitors to Breckland. The Council also wants services to continue getting better year by year.

Capital projects identify milestones and key outputs and these are used to integrate the delivery of Capital projects into the performance management framework.

The Annual Delivery Plan (ADP) shows how the aims from the Council's Business Plan are translated into actions.

Project Evaluation

All capital projects need to be appraised according to existing project management guidance to inform the decision making process. Options appraisals are also required to ensure value for money in achieving the project objectives and realising benefits. Matters to be considered within the capital bidding process are:

- Council Objective/Priority
- Whole life cost of the proposal including the revenue effects *
- Affordability and source of funding
- Partnership involvement
- Options appraisal
- Project appraisal
- Risks
- Improvements in service delivery
- Customer facing outcomes
- Other benefits and success criteria
- Efficiencies
- In principle support from the Director and Cabinet Portfolio Holder
- Exit strategy
- Timescales

* Whole Life Costing (WLC) is defined in ISO Standard 15686-5. WLC shifts the emphasis of capital appraisal from comparing alternative construction/acquisition costs to a Value for Money approach by reviewing comparative costs over the life of the scheme. WLC will not always be appropriate for all prescribed aspects of the Council's capital programme.

Project evaluation should include the following activities:

- Feasibility
- Appraisal (to include report, financial appraisal, risk appraisal)
- Budget
- Monitoring and review
- Outturn

This will ensure that any capital scheme that feeds into the programme will comply with the principles of the Prudential Code:

- Affordability
- Sustainability
- Prudence

3.6 Asset Management

Under the 2008 Use of Resources regime there has been additional expectation on Councils to demonstrate better asset management. In response to this we have built this section of our strategy around the improvements the Asset Management Team have made in response to these new requirements. Our feeling is our strong performance in this activity is both robust and exemplary. In order to protect the Council's investment in property, the Asset Management Section will update the Asset Management Plan (AMP) that details the existing asset management arrangements and plans to improve corporate asset use. Part of this AMP is a register of all of the property assets. An assessment of the level of maintenance required for the properties has been made and this assessment will feature in both capital and revenue budgets, as it is important that the quality of the stock is maintained in order to sustain performance. It is important to remember that the income generated by the Commercial Property Account supports other spending in the district and helps keep the council tax low. The AMP features performance targets which are reviewed on a monthly basis with the Executive Member for Economic and Housing and our Commercial Property is valued at £32m. The AMP will be approved separately to this strategy and will inform the revenue budget and capital programme. The new and revised AMP will incorporate a re-investment strategy as a sub-document and confirm the objectives of the strategy once further work is carried out on the Council's existing property portfolio to ensure the re-investment strategy fits with the wider objectives of the AMP. Any projects identified will need to be assessed against other capital projects when the Council develops its capital programme.

There is a policy for a rolling programme of capitalised works for industrial units. This is to ensure the quality and fabric of the property portfolio does not deteriorate and there is minimal risk to a reduction in rental income. A sum of £100k was approved for the annual programme which will be included in the capital budget in future years. The existence of this fund demonstrates a planned approach to future refurbishment and enhancements and allows resources to be accumulated over a lead-in period to avoid ad hoc funding shortages.

The ICT Strategy, managed by the Business Improvement Board is used to manage the assets which are the computer system and infrastructure. The ICT infrastructure (including servers and desktop) is currently under review within the ICT Strategy in light of changing service delivery requirements.

The way the Council manages its financial assets/investments is covered separately by the Treasury Management and Investment Strategy. The Council will consider the use of its compulsory purchase powers to assist with land assembly where there is a clear community benefit.

Table 4 – Breckland Council's Fixed Assets

Asset Type	Valuation				Number of assets
	£'000s 2007	£'000s 2008	£'000s 2009	£'000s 2010	Number 2009
Intangible	1,022	1,094	1,205	1,314	n/a
Operational:					
Land & Buildings	10,816	11,524	9,567	25,585	48
Vehicles, plant, equip	2,653	2,841	2,827	3,533	n/a
Infrastructure	55	66	66	66	1
Non-operational:					
Surplus land & buildings	6,033	6,669	7,936	8,446	118
Investment properties	26,985	29,030	23,469	23,947	186
Assets under construction	1,159	1,047	731	1,038	4
Total	48,723	52,271	45,801	63,929	

This table sets out the balance sheet value of assets by category as at 31st March 2010 for the last 4 years. The Operational Land and Buildings category has increased significantly in 2010 as new accounting reporting standards require the leisure PFI assets to be brought back on to the balance sheet.

3.7 Consultation and Communication

The consultation process that informs the Business Plan has enabled the Council to identify its strategic objectives to allow prioritisation of resources. Further work was carried out with the citizens' panel to identify where this stakeholder group sees the Council directing its resources. Results of the survey will inform the Cabinet process. We will also hold a consultation meeting with business ratepayers in accordance with regulations to gauge sentiment. While it will not be possible to allocate resources to all suggestions Cabinet will acknowledge comments and see where they fit corporate objectives for possible inclusion in the budget over the medium term.

This strategy is available for a period of consultation which will conclude at the next cycle of Cabinet. It will then be communicated to staff and stakeholders and be placed on the Council's website to allow wider access beyond the district. This will allow feedback and joint agreement with stakeholders and key partners and contribute to ensuring the capital strategy is a living document.

3.8 Risk

The Council is faced with diminishing capital finance which means the Council will need to monitor spend against available funds carefully to ensure that it does not spend or commit in advance of receiving funding

All capital projects will have a risk log that is regularly reviewed and updated. All risks that may affect a project must be considered. These can include political, economic, legal, technological environmental and reputational as well as financial. Large projects will be managed in accordance with Prince 2 principles that have been adopted by the Council.

A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the council. Each capital investment will be closely reviewed to assess its VAT implications.

The Council has recently commissioned an Integrated Development Plan and a Housing Local Investment Plan. These documents when completed will set out the delivery framework for the Council's main priorities and how it will fund those aspirations. Any projects identified in these plans will need to be assessed against other capital projects when the Council develops its capital programme.

The Council is relying on the court system in Iceland to determine how much of the Council's original deposits in Glitner and Landesbanki will actually be returned. The Winding Up Boards are unable to distribute funds until legal issues have been resolved, there remains uncertainty over the timing of dividends as well as the amounts. The Council is also exposed to exchange rate risk, and is evaluating the need to hedge against this.

Cuts in public sector spending will mean that a lot of grants that the Council has had access to will be withdrawn, and that funding from other public sector partners is unlikely to continue to be available in future. Diminished Right to Buy receipts further reduces the amount of funding that the Council can expect to receive from external agencies, placing more importance on elements of funding that the Council has some control over, such as capital receipts.

New accounting requirements brought about by International Financial Reporting Standards (IFRS) will impact the way the Council accounts for some principles that the Council has taken for granted in the past. All new property leases will need to be assessed to see whether they are operating leases or finance leases. The effect of a finance lease means that some of the rental income is deemed to be a capital repayment rather than revenue income. Therefore all invest to earn schemes will need to be assessed for this at an early stage so that the business case is properly informed.

3.9 Sustainability

Breckland Council is always mindful of proposals put forward by the Department of Communities and Local Government. In conjunction with targets being proposed for all new homes to meet energy/carbon standards, Breckland is committed to exploring the technologies for reducing carbon emissions for non-residential new build. The authority is currently reviewing its procurement strategy in light of the green agenda, and will be considering these in future purchasing decisions.

3.10 Environmental issues

The Council launched its Environment Strategy in 2008, which set challenging targets for reducing the Councils impact on the environment. The Councils commitment to this agenda was recently endorsed by signing the Nottingham Declaration. The Environment Strategy action plan is regularly reviewed and developed in conjunction with Service Managers via the Green Agenda Officer Group. A separate Member task force Panel (Green Agenda Development Panel), will also scrutinise developments in this area and endorse projects prior to the Cabinet Process. A process for ensuring that all key decisions within the council are assessed on the basis of their environmental impact is being developed as part of the year 2 action plan.

3.11 Procurement

The purchase of capital assets should be conducted in accordance with the Procurement Strategy, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write off of assets are contained in the Constitution which is consistently reviewed.

3.12 Value for Money

The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of our capital strategy. Specifically we will seek to strengthen the outcome indicators as part of post project reviews.

3.13 Disposals

Any proceeds from the disposal of assets such as land in excess of £10,000 are determined as a 'capital receipt'. The policy to sell small pockets of land often brings in income of less than £10,000. This income is classed as 'revenue income' and is posted to the revenue income and expenditure account.

The Authority has a register of surplus property which it is in the process of disposing of. This not only brings in a capital receipt but maintenance costs and liabilities are reduced. As a principle we will release funding from under-utilised assets. The regular review and identification of surplus asset disposals forms part of the scope of work carried out by the CAMWG (Corporate Asset Management Working Group) who meet on a regular basis. There is also an annual review of the asset register which is undertaken by the Asset Manager.

3.14 Revenue integration

Debt management

Each year Breckland is required to calculate its Capital Financing Requirement (CFR) which at 31st March 2009 stood at £16.142m (2009 £19m). This reduces as we fund our capital programme. Once the balance reduces to zero or becomes a positive amount capital regulations will require us to set aside a prudent contribution from revenue for the repayment of future debt. This will effectively increase the amount of return required from any investment decisions.

Invest to save

Whilst there are revenue implications for investing in capital schemes, the Council is keen to invest in areas that result in long-term revenue savings and 'invest to save' schemes. It is also an aim to invest in assets that generate a revenue income in excess of that which could be earned by leaving the capital on deposit. An Increased surplus from the commercial property trading activity will compensate the general fund for the cost of capital and will contribute to further investment in service improvements.

International Financial Reporting Standards

New accounting standards have been introduced which will impact on the way Local Authorities report their financial positions. Changes to CIPFA's SORP have already seen PFI schemes coming back on balance sheet. Further changes in 2010/11 will see the introduction of component accounting where large assets are accounted for in component form. All new leases will be evaluated to ascertain whether they are operating or finance leases. Although the amount of rent received is the same in both cases, a finance lease means that some of the income will be deemed to be a capital repayment therefore reducing the amount of revenue.

3.15 Links to other partners

Partnership working is embedded in the organisation and the Council's approach to working with others has been commended. The Council's thrust in partnership working has three main strands being the Community Forums, Local Strategic Partnership and Strategic Service Delivery Partnerships. In order to address the needs of our community the integration of our capital strategy with those who we seek to work with will be necessary to deliver the shared visions we hold. It will be an aspiration of the Council to look at introducing participatory budgeting as part of its medium term capital programme.

Breckland has adopted a policy to return the management of play areas and open space to the local councils. It will earmark a 'commuted sum' for this purpose to return interest to allow the payment of an annual sum to the towns to compensate them for the expected costs of maintaining the leisure areas. These were delayed in 2009-10 and are now due to complete during 2010-11.

3.16 Equality

As part of preparing the Capital Strategy we have completed an Equalities Impact Assessment. We recognise and value the diversity in our community and the contribution that people from different backgrounds and cultures bring to the development and wellbeing of our district. Breckland Council is therefore committed to principles of equality in its capacity as an employer and service provider to all sections of the community.

Author	Margaret Bailey/Mark Finch
Review Date	June 2010
Next Review	June 2011
Document Version	

Appendix C

BISC 24th May 2011 - Governance report on Capital Programme

PROJECT	Match list	Comments	New 2011/12 budget (proposed)	Business Case	PID	Next Project Progress Report due	Post project review	Notes
Disabled Facilities Grants	Y	Periodic summary of expenditure required	516,086.19	n/a	n/a	Q3	n/a	
Decent Homes Grants	Y	Periodic summary of expenditure required	394,918.70	n/a	n/a	Q4	n/a	
John Room House Conversion	N	Project complete - Retention payment only	27,360.00	n/a	n/a	Due Q2 2011/12		
Affordable Housing	N	No agreed schemes to date for 2011-12	250,000.00					
Victory Park, Attleborough	N	Under review by Exec Board (April 2011) re future options for site	18,206.86	n/a	n/a	Q2	complete	
Commercial Property Rolling Maintenance Fund	Y	Annual sum included in Cap Prog. Future yrs allocations may need reviewing in light of Asset management Plan (currently being drafted)	73,737.10	n/a	n/a			
Planning and Building Control – TLC & GEODSYS	N		6,171.28	n/a	n/a	n/a	n/a	
CCTV equipment	N		8,741.54	n/a	n/a	n/a	n/a	
ARP - Set up costs St EUs BDC led	N	Residual for 2011-12	17,204.62	n/a	n/a			
Transfer of Play Areas - Swaffham and Thelford	Y	Progress update required by August 2011	234,545.00	n/a	n/a	Q2		
Transfer of Play areas - Attleborough	Y	Progress update required by August 2011	80,961.00	n/a	n/a	Q2		
25 Acre - Land purchase	Y	Phase 2 report required September 2011	252,843.00	n/a	n/a	Q3		
Projects where funding is released	Y	On BISC May agenda	1,880,775.29					
Street Lighting	Y	Progress update required by August 2011	400,000.00	n/a	due q1	Q2		
Transfer of Play Areas to Town Councils	Y		159,723.00			Q2		
Projects where funding is not released	Y	These involve critical issues of performance and compliance, and require urgent attention	559,723.00					
PAYE net	Y		22,015.00			Q1		
Secure Bureau Service	Y		1,705.00			Q1		
Licensing systems	TBA	David Green to advise on current status issues. Update provided on May Agenda as well	7,413.03			TBA		
Customer Services Centre Telephony - Dereham	TBA	David Green to advise on current status issues	59,747.70			TBA		
Web Site	TBA	As above	9,789.14			TBA		
Vin Ware	TBA	As above	25,177.01			TBA		
LAGAN Upgrade	TBA	As above	41,670.00			TBA		
Govt Connect Phase 3	TBA	As above	11,239.49			TBA		
Projectors Committee Suite	TBA	As above	790.00			TBA		
ARP Contribution to ICT & Server refresh	TBA	As above	19,905.60			TBA		
Members ICT	TBA	As above	34,020.00			TBA		
ICT released			233,471.97					
ICT Strategy Projects	Y	Interim ITC Managers to update sub-committee via standing ICT strategy agenda item	227,151.00			Q1		
IT Refresh Programme	Y		53,509.00			Q1		
ARP - Batch Scanners	Y		17,500.00			Q1		
ICT not released			298,160.00					
Matched Funded Projects - unallocated budget	N		168,572.00	n/a	n/a	TBA	n/a	
Matched Funded Project - Eccles Garner Hall	N	Annual report on impact of match funded projects on Corporate objectives to be presented by Community Development Manager	2,369.00	n/a	n/a	TBA	n/a	
Matched Funded Project - Scarning Pre-School	N		2,000.00	n/a	n/a	TBA	n/a	
Matched Funded Project - Hardingham Village Hall	N		20,000.00	n/a	n/a	TBA	n/a	
Matched Funded Project - Swanton Morley cricket Club	N		19,000.00	n/a	n/a	TBA	n/a	
Matched Funded Project - Diss Rugby Club	N		20,000.00	n/a	n/a	TBA	n/a	
Match Funding			231,941.00					
Total			3,204,071.26					

PROJECT INITIATION DOCUMENT

Project name Street Lighting Replacement Programme

Release Date: 30 March 2011

PRINCE2

Author:	Ralph Burton
Owner:	Anthony Wright
Client:	Breckland Council
Document Number:	V1.4

Document History

Revision History Date of next revision: N/A

Version Number	Revision date	Previous revision date	Summary of Changes	Changes marked
1.1	10 Feb 11	n/a	Initial draft	no
1.2	30 Mar 11	10 Feb 11	Updates following A.Wright comments	no
1.3	14 Apr 11	30 Mar 11	Updates following A.Wright comments	no
1.4	06 May 11	14 Apr 11	Updates following M.Bailey review before BISC	yes

Approvals This document requires the following approvals.

Name	Signature	Title	Date of Issue	Version
Anthony Wright		Building Services Manager		
Margaret Bailey – BISC		Capital Accountant		

Distribution This document has been distributed to:

Name	Title	Date of Issue	Version
Steve Udberg	Head of Asset Management		
Margaret Bailey	Capital Accountant		
Chris Brooks	Performance Accountant		
Anthony Wright	Building Services Manager		

Purpose

To define the project, to form the basis for its management and the assessment of overall success.

Contents

This publication contains the following topics:

Topic	Page
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Risk Management	4
Project Plan	5
Provision of Public Street Lighting – Background Context	6

Authority responsible Portfolio & Service responsible

Breckland Council

Regeneration & Policy Portfolio
Asset Management Service

Background

Please read attached section titled '**Provision of Public Street Lighting – Background Context**' before reading further.

Introduction

For the Breckland district NCC currently retains responsibility for Roadway Standard Lighting and Breckland Council facilitates management of Footway Standard Lighting on behalf of the Town Councils. Norfolk County Council will only take responsibility for lighting if it is designated as a Roadway Standard Lighting System.

Breckland Council does not have a street lighting department or specific street lighting expertise although the responsibility within the Council to manage the Council's Footway Standard Lighting is designated to the Asset Management service.

Under the Occupiers Liability Act 1957/1984 and advice from Legal Services if a street light is on land that belongs to Breckland Council, we are responsible for the physical street light column in terms of public safety, i.e. to ensure it does not cause harm to the public (i.e. through disrepair) on behalf of the Town Council's. However we are not required to provide the lighting from that column. Therefore there is a responsibility on Breckland Council not only as a public authority but also as a land owner to maintain streetlights that are located on land belonging to the Council.

Within the district Breckland Council currently has responsibility for 2,200 footway street lighting columns located in the five towns and Bawdeswell. A proportion of these are located on Breckland Council's owned land i.e. car parks.

Background

Despite working with Norfolk County Council (NCC) to provide a maintenance contract this will only provide cleaning, testing of columns, reactive maintenance, programmed maintenance, replacement of lanterns, provision of energy and contact centre for street lighting calls. It will not provide volume wholesale replacement of the Footway Standard Lighting columns only on an individual basis when failure has occurred. Therefore there is a need to deliver a street light replacement programme

for Footway Standard Lighting within the Breckland district on Breckland owned land.

Of the 2,239 street light columns which Breckland Council has responsibility for:

- 663 pre-cast concrete
- 164 timber
- 101 aluminium
- 1,311 steel

The concrete columns have an estimated lifespan of 25 years, however there is no method of checking when they are likely to fail and concrete can fail imminently. The steel columns can be checked for condition and length or remaining lifespan with a simple test. Therefore the priority for the replacement programme is the concrete and timber columns. There is also a need for a condition survey on all the steel columns to help plan replacement of the remaining steel columns.

Columns will be replaced on a formula of:

1. Age
2. Geographical location (to obtain economies of scale)
3. Condition (only relevant to steel once condition surveyed)
4. Located on Breckland owned land (or not if requested by the Town Council's and Bawdeswell PC)

Condition Survey

To help inform this replacement programme in 2011/12 the Council is undertaking condition surveys on all the steel and aluminium (1,412) street light columns. The concrete and timber columns will not be surveyed as following advice received from NCC and due to their age will all need replacement. It would be uneconomical to survey the concrete and timber columns as nothing would be achieved.

Reasons why project is needed

- In health and safety terms the Council cannot afford the failure of columns which could cause serious injury to the public.
- To remove the risk stated in the Council's Risk Register.
- To reduce the ongoing running and reactive maintenance costs of the street light network.
- To improve the quality and standard of the street light assets within the Council's portfolio.
- To reduce light pollution.
- To reduce energy consumption costs.
- To continue to meet the Council's corporate aims and the aims of the Asset Management service.

Project Definition

Project objectives

1. To procure a programme of physical street light replacement by the end of quarter 3 2011/12
2. To complete the physical replacement of all the concrete/timber street light columns by quarter 4 of 2013/14
3. To establish a future project for the physical replacement of the steel street light columns by 2014/15 according to the outcomes of the condition surveys.
4. To reduce the risk highlighted in the Risk Register

Defined method of approach

The project will be initiated using PRINCE2 methodology.
The ongoing management of the project will be in line with the deliverables required.

Project scope This Project Initiation Document is concerned with the initiation of the programme.

The service areas affected are:

- Asset Management – tender, project management, contract management, quality checks and acceptance, project reporting.
- Finance – capital programme funds and authorisation.

Personnel affected:

- Asset management – 7 (SU, AW, RB, PD, AB, MP, LY)
- Finance – 2 (MB, KT)

Function and processes affected:

- Geographical location and database of street light information.
-

Project benefits The following provides a summary of the benefits:

Financial

- Reduced ongoing revenue cost due to new and improved lighting

Quantifiable

- None

Measureable

- Improved energy efficient lighting
- Less light pollution / less diffused light

Observable

- Reduced or removed risk from the Council's Risk Register
 - Increased duty of care
-

Project deliverables

1. Project initiation document
 2. Authorisation to initiate project
 3. Prioritisation programme of replacement (based on formula)
 4. Tender specification and tender process
 5. Works contract
 6. Schedule of replacement works
 7. Contract management reviews
 8. Quality checks and acceptance
 9. Project completion
-

Constraints

- Budget may be removed during period of project
- Change of Council direction or political direction
- Identifying and obtaining sufficient competitive tender responses
- Available and necessary skills to complete tender specification
- Available and necessary skills to manage contract
- Stakeholder commitment is lacking
- Requirements change during project
- Lack of project management and sponsorship
- Timescales and over-run
- Lack of support (due to resource constraints) from other Council departments
- Other work areas that are prioritised over this project
- Business benefits are not realised
- Unrealistic expectations
- No contingency
- Scope ill defined and creeps
- Quality check and control is lacking

Interfaces

Personnel

- Asset Management Executive Member
- Head of Asset Management
- Commercial Property Manager
- Building Services Manager
- Capital Accountant
- Performance Accountant
- Corporate Management Team
- Deputy Chief Executive (as Director of Regeneration & Policy)

Documents

- Asset Management Plan 2008
 - Capital Programme
 - Capital Strategy
 - Internal Audit Report on Asset Management 2010
-

Assumptions

1. **Budget:** £200,000 per annum capital is available for five years
 2. **Market:** There is a competitive market place that would compete to win the contract
 3. **Resources:** There are the necessary skills and time available to manage the project, tender and contract
 4. **Quality:** Installed columns will meet all necessary British Standards or European Standards
 5. **Construction:** Replacement will be undertaken according to any statutory health and safety legislation
-

Project organisation structure

Project Management Team Structure

Asset Management Service

The Council's land and property assets are held in support to the main business of the Council, which is to provide services. First and foremost the property resources must be used to maximise benefit to services in the most efficient and effective manner. The exception to this is where property assets are held for financial rather than service requirements, in this case the focus will be on maximising financial return.

The Asset Management service includes the function of Public Asset Management which incorporates the Council owned assets in respect of car-parks, public highways and footpaths and streetlights as well as open space and play areas.

The project will be managed by personnel within the Asset Management service with reference for support to Financial services.

A project board will not be created for this project; however the BISC will assume that responsibility.

Project Quality Plan

Customer's Quality Expectations

1. The implementation of a programme of street light replacement starting in 2011/12.
2. All existing concrete/timber street light columns are removed and replaced.

Acceptance Criteria

This will be developed in the tender specification.

Required Standards

This will be developed in the tender specification.

Risk Management

The Council's Risk Register currently highlights the replacement of the street light columns that are the responsibility of the Council as a risk:

Risk Ref No	R-AM 04
Aim/Priority	CA 5.2
Risk Category	Reputational
Risk Description	An increase in street lighting replacement costs due to ageing units. There are also potential health and safety issues for members of the public to age and deterioration of units, the occurrence on an injury would damage the reputation of the Council and attract adverse publicity.
Likelihood	1
Impact	2
Score	2

This risk is incorporated in the Asset Management Service Team Plan.

Additional wider risks are:

1. There is a risk that without specific street lighting expertise within Breckland Council it is difficult to challenge the demarcation of responsibilities with regards Roadway Standard Lighting and Footway Standard Lighting.
 2. Breckland is currently only delivering a reactive maintenance Footway Standard Lighting service at the moment as NCC have not completed their tender yet.
 3. Audit has recommended that without a formal contract in place there is a risk that the Council has not got suitable cover and has recommended that contract is put in place by April 2011. NCC have advised this will not happen at this time. NCC are using ESPO to provide this function and the work is ongoing.
-

Project Plan

A separate analysis will need to be undertaken to prioritise the replacement programme using the following formula:

1. Age
2. Geographical location (to obtain economies of scale)
3. Condition (only relevant to steel once condition surveyed)
4. Located on Breckland owned land (or not if requested by the Town Council's and Bawdeswell PC)

The priority will be the concrete and timber columns located on Breckland owned land. This planned approach will allow the Council to concentrate on the columns which are at the greatest risk of failing first.

Budget

Due to the above risk the Capital Programme has the following funds available to this project:

Year	Amount
2011/12	£400,000
2012/13	£200,000
2013/14	£200,000
2014/15	£200,000

The Capital Programme is monitored by the Business Improvement Sub-Committee (BISC). BISC has the authority to approve the release of funds subject to appraisal of the relevant documentation to support the project.

It is estimated that the cost of the replacement of each column is between £1,000 and £1,200. This includes the removal of the existing column and lamp, purchase of new column and lamp and installation and electrical reconnection and any relevant labour costs.

The following represents the draft timetable

Milestone	Date	Expenditure
Complete and submit PID to BISC	Q1 2011/12	
PID reviewed and authorised (funding released)	Q2 2011/12	
Specification and tender written and issued	Q2 2011/12	
Contract awarded	Q3 2011/12	
333 columns (concrete/timber) replaced (@ £1,200 per column)	Q4 2011/12	£399,600
167 columns (concrete/timber) replaced (@ £1,200 per column)	Q4 2012/13	£200,400
167 columns (concrete/timber) replaced (@ £1,200 per column)	Q4 2013/14	£200,400
160 columns (concrete/timber) replaced (@ £1,200 per column) prioritised by condition	Q4 2014/15	£192,000

The above allows for the complete replacement of the concrete and timber columns i.e. a total of 827 for a total value of £992,400 by the end of 2014/15.

This would result in 37% of the Council's total streetlight assets being replaced. A separate programme to replace the steel and aluminium columns (1,412) will be assessed after the condition schedules have been completed if applicable. This will form a separate project.

Provision of Public Street Lighting – Background Context

Historic Context

In April 1967 the county councils became responsible, under the Local Government

Act 1966 for part of the street lighting system, which in Norfolk and other counties had hitherto been provided by other organisations.

The Local Government Act 1966 (subsequently section 270 Of the Highways Act 1980) defined two standards of street lighting:

1. Footway Standard Lighting System

A system of lighting provided for a highway which satisfies either of the following conditions:

- No lamp is mounted more than 13 feet above ground level.
- No lamp is mounted more than 20 feet above ground level and there is at least one interval of more than 50 yards between adjacent lamps in the system.

2. Roadway Standard Lighting System

Any lighting system that does meet the Footway Standard Lighting System definition (as above).

The purpose of the Act was to transfer all existing Roadway Standard Lighting, on maintainable highways to highway authorities (i.e. county councils). Whilst they could also be responsible for Footway Standard Lighting, Norfolk County Council along with most other county councils opted to assume responsibility for Roadway Standard Lighting only, leaving the local lighting authorities to retain responsibility for Footway Standard Lighting.

The major consequence of the 1966 Act was that instantly Norfolk County Council became responsible for a mix of lighting installations of different age, condition and standards, dependent on what the individual lighting authorities had previously installed. This differed vastly from parish to parish and district to district and is the reason why there is a wide variety of equipment types, light sources, mounting heights etc for similar roadways in the county.

Within Norfolk, all seven district Council, together with about 150 out of 550 parish councils, exercise their local lighting powers and provide Footway Standard Lighting. Thus the non-highway street lights became the responsibility of the district, town and/or parish council.

Breckland Council Provision

To accommodate the provision of Footway Standard Lighting until 2001/2 Breckland Council directly maintained this lighting for the five market towns and Bawdeswell and paid a general grant to the other parishes to allow them undertake their own maintenance which ensured they would not be subsidising the town areas in the essence of fairness.

In 2001/2 a change in legislation made the award of non-specific grants illegal and Breckland Council was no longer able to pay the grant to the parishes. At this point the Council introduced a Special Expense Charge. This charge is for the maintenance of Footway Standard Lighting whether to public footpaths or roads in Dereham, Thetford, Watton and Bawdeswell.

At that time Attleborough and Swaffham elected to be recharged directly for their Footway lighting costs so it forms part of their own precept. For the other areas the Special Expense Charge is separately added to the Breckland Council Tax charge.

Responsibilities

For the Breckland district NCC currently retains responsibility for Roadway Standard Lighting and Breckland Council facilitates management of Footway Standard Lighting on behalf of the Town Councils.

Norfolk County Council will only take responsibility of the lighting system if it is designated as a Roadway Standard Lighting System (as per above).

Breckland Council does not have a street lighting department or specific street

lighting expertise although the responsibility within the Council to manage the Council's Footway Standard Lighting is designated to the Asset Management service.

Breckland District Footway Standard Lighting Service – Current Arrangements

Liability

Under the Occupiers Liability Act 1957/1984 and advice from Legal Services if a street light is on land that belongs to Breckland Council, we are responsible for the physical street light column in terms of public safety, i.e. to ensure it does not cause harm to the public (i.e. through disrepair) on behalf of the Town Council's. However we are not required to provide the lighting from that column. Therefore there is a responsibility on Breckland Council not only as a public authority but also as a land owner to maintain streetlights that are located on land belonging to the Council.

Within the district Breckland Council currently has responsibility for 2,239 Footway street lighting columns located in the five towns and Bawdeswell. A proportion of these are located on Breckland Council's owned land i.e. car parks.

Service Provision

Breckland Council is currently providing Footway Standard Lighting in the District in the five market towns and the parish of Bawdeswell. This includes the energy procurement and provision, maintenance and replacement of street lamps and columns.

Attleborough Town Council, Swaffham Town Council and Bawdeswell Parish Council have accepted that Breckland Council delivers Footway Standard Lighting on their behalf. These Councils are charged twice a year for the cost of any street lighting provision (energy and maintenance). Due to the contract arrangements between Breckland Council and Norfolk County Council, Breckland merely recharges these towns what Breckland is charged by the County plus and administration fee.

Thetford Town Council, Dereham Town Council and Watton Town Council do not accept Breckland Council is delivering Footway Standard Lighting on their behalf. Consequently these Councils pay an annual Levy via the precept which is therefore always a year in arrears. The annual cost for the provision of street lighting (energy and maintenance) in these areas is received from the Council and added to those town area's Council Tax bills as a special levy, therefore residents in these areas pay direct through their council tax, instead of via the Town/Parish council tax charge element.

How Service is Delivered

Maintenance

As Breckland Council has a public responsibility but does not currently have the specific expertise to directly deliver a Footway Standard Lighting service for the district it contracted its 'maintenance contractor' responsibilities to Norfolk County Council until 2010. On behalf of Breckland Council, Norfolk County Council acted as 'consultant' providing advice on all street lights matters and 'maintenance contractor' providing cleaning, testing of columns, reactive maintenance, replacement of lanterns, provision of energy, contract centre for street lighting calls.

In 2010 NCC's contract with Breckland Council ended as the sub-contractor NCC had employed walked away from their contract which had another year to run. NCC did not seek to re-tender this contract because NCC had entered into a PFI agreement for the delivery of a wider street lighting programme which did not include the Breckland Footway Standard Lighting (as Breckland Council's Footway Standard Lighting did not form part of the PFI contract) and at that time could not locate an alternative contractor.

Breckland Council attempted to get included in the County-wide street lighting agreement however NCC's decision to not take any further responsibility for street lighting meant we could not enter into this agreement. Breckland also attempted to

get agreement from NCC to work directly with the Town Council's to avoid Breckland being involved directly, but NCC would not undertake this.

However as a result of the County's street lighting PFI agreement, their new partner is Amey's. In addition to the PFI agreement and after some negotiation by the County with Amey on Breckland's behalf Amey agreed to provide an informal reactive maintenance service for the Footway Standard Lighting in Breckland in the short term to ensure Breckland is able to comply with statutory legislation. As NCC is only undertaking reactive works for Breckland currently a saving is being made of £50,000 per annum. This will be reflected in the invoice changes and future special levy charges to the respective towns and Bawdeswell as appropriate.

In 2010 NCC agreed and have subsequently re-tendered for the original full Footway Standard Lighting maintenance contract which Breckland Council would have little option but to enter into for the continued provision of a full Footway Standard Lighting service in the district. The contract should start in quarter 1/2 2011/12.

Replacement

The above section outlines how the ongoing maintenance is delivered and does not include replacement. Replacement of the physical Footway Standard Lighting columns is currently not carried out on a programmed basis (only on an exception emergency basis) in any method. The purpose of this project is to fulfil the replacement part of the overall service.

BRECKLAND COUNCILPROFORMA FOR BUSINESS IMPROVEMENT SUB-COMMITTEE APPROVAL OF THE
RELEASE OF RESOURCES
(CAPITAL BUDGET)

FROM: Margaret Bailey (Senior Accountant – Capital and Treasury)

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHEDREPORT: **Street Lighting**
REPORT DATE: **24-5-11**

	£ Year 1 2011/12	£ Year 2 2012/13	£ Year 3 2013/14	£ Year 4 2014/15	£ Year 5 2015/16
Capital					
Purchase price	399,600	200,400	200,400	192,000	
Total Capital	399,600	200,400	200,400	192,000	
Revenue					
Lost Interest (included in current budget)					
Total revenue					
Total Capital + Revenue	399,600	200,400	200,400	192,000	

Funding required:		Considered by:	Date:
Total capital cost	£992,400	BISC	24-5-2011
Revenue cost	Lost interest (included in current budget)		

Financial Services Comments

This report requests release of £1m. There is currently £1m in the capital programme earmarked for Street lighting; £400,000 in 2011/12 and a further £200,000 per annum in the following three yrs. Street lighting columns have not previously been identified as assets on the Council's asset register but as significant spend is taking place on new columns, these will be added to the register as spend occurs and will be subject to depreciation over 25yrs.

In terms of options, the option to enter the NCC PFI has passed and as Street Lighting has been identified as a risk due to the condition of columns, do nothing is not an option. This proposal allows for replacement of 827 of the 2,239 columns. The condition survey is a revenue cost and will determine the exact number of steel columns that will need replacing. Should all the steel columns need replacing a further £1.7m budget would be required. There is no provision for this additional spend and when releasing the initial funding of £992,400 BISC should recognise the risk that a further £1.7m may be required to complete the project. This additional budget would need full Council approval as it is outside the current capital programme and this risk should be recognised.

This PB is valid for 3 months from PB date	If this PB is not longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.
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Because this project requires significant investment it is important that milestones for progress, project end reports and post project reviews are approved up front. If Members approve release of funding, they may wish to consider approving the following reporting requirements:

- Six monthly reporting on progress to BISC
- Project end report 2014/15 (exact date to be agreed)
- Post project review within 3 months of project end report

Capital expenditure and the Capital Financing requirement (CFR) (the underlying need to borrow) are prudential Indicators. This expenditure does not affect the Council's underlying need to borrow and the CFR is still expected to be negative (no need to borrow) in 2014/15.

No efficiency savings are proposed in respect of this release of funding.

Financial Risks

There is a risk that further funding of up to £1.7m is required to complete this programme of works. The requirement for further spend should be quantified as soon as possible.

NCC currently undertake emergency reactive maintenance and there is no formal maintenance contract. NCC are currently procuring a new maintenance contract so the costs of maintenance which is recharged to the Town Council's is not fully quantified. Page 9 of the PID explains the current position on maintenance.

This PB is valid for 3 months from PB date	If this PB is not longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.
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Licensing Project Review (6th May 2011)

Review of deliverables within the original PID:

ID	Product Description	Progress
1	System Selection	Completed
2	Contractual agreement	Completed
3	Business Improvement Board Approval	Completed
4	Processes Capturing	Completed
5	Configuration of templates and wizards	Completed
6	Installation of Classic, Enterprise and adaptors	Completed
7	Training of key users	Completed
8	Training of Administration staff	Completed
9	Data migration plan agreed	Completed
10	On-site build	Completed
11	Official go-live	Completed
12	Mobile Working Delivered - optional	To be delivered
13	Data Migration Completed - optional	95% completed
14	End of project review	Awaiting

Outstanding deliverables

Deliverable 12: Mobile working

ID	Actions	Resources	Milestone
1	Set-up BES server licences for blackberry devices	ICT	9 th May
2	Mobile device ordered & received	ICT	12 th May
3	Scanner device ordered & received	ICT	12 th May
4	Blackberry set-up	ICT	19 th may
5	Configure Devices and establish connectivity	ICT	19 th May
6	Enable and configure Lalpac Enterprise	ICT/Licensing	19 th May
7	Testing (in house)	ICT/Licensing	26 th May
8	Testing (in the field)	Licensing	26 th May
9	Acceptance testing	Licensing	31 st May
10	Go-live (proof of concept - further roll-out)	All	June

Deliverable 13: Data Migration Completed

ID	Actions	Resources	Milestone
1	Premises files to be completed (30 of 700 left)	Licensing	20 th May
2	Gambling Work (config and upload) to commence	Licensing	20 th May
3	Gambling Work completed	Licensing	End of June
4	Acceptance	Licensing	End of June