



# Capital Strategy

2005

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# DUDLEY METROPOLITAN BOROUGH COUNCIL CAPITAL STRATEGY 2005 - 2010

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## Introduction

- 1 Dudley has a strong reputation for being an outward-looking Council, working with its diverse communities, customers and other partners to identify and work together on local priorities to improve quality of life. We have recognised that tackling crosscutting issues such as regeneration, social exclusion and sustainable development needs a joined-up approach across Council services, and between the Council and its partners. Our key priorities and targets are set out in the Dudley Borough Community Plan. This Plan sets out a vision for our community over a 5-year period. It agrees the most important areas for us to work together with our partners, and sets out what we need to do to achieve that vision.
2. At the heart of the Community Plan is our aim of working together to achieve a Fairer Society, promoting the general prosperity and well-being of the Borough as a whole, and thereby addressing the problems of Social Exclusion. The strength of our community, including its future success requires that everyone has the opportunity to contribute to and achieve their full potential. The Community Plan outlines six priorities through which progress towards a Fairer Society will be led, each linked to strategic partnerships that will oversee the implementation of the actions. These are:
  - **Jobs** - Jobs Theme Group Partnership;
  - **Health** - Dudley Health and Wellbeing Partnership;
  - **Environment** - Strategic Housing and Environment Group;
  - **Community Safety** - Safe and Sound Partnership Board;
  - **Lifelong Learning** - Dudley Lifelong Learning Partnership;
  - **Leisure and Culture** - Leisure and Culture Theme Group.
3. We recognise that these six priorities do not stand in isolation. Success in one area often depends on success in one or more of the others, but by highlighting them as key issues, the Community Plan provides a clear signpost to the areas that we intend to concentrate upon.
4. Dudley's first Community Plan covered the period 2000-2005, and is currently being revised through the Dudley Borough Challenge. The new Strategy will be launched in September 2005, following 12 weeks of consultation, and will set the broad priorities for the Borough for the next 15 years. Detailed 3-year action plans will be completed by the end of March 2006. It is likely that the priorities of the new Community Strategy will warrant some adjustments within the theme partnership structure, as listed above, including the addition of the new Children and Young People's Strategic Partnership.
5. The Council has also adopted a Council Plan, which focuses the overall strategic direction of the authority on a clear set of priorities for deployment of resources. These priorities form the Council's most significant contributions to achievements against the Community Plan themes. In particular, the Council Plan identifies geographic priority areas, including Town Centres and Managed Neighbourhoods (the most deprived localities), where its efforts will be concentrated. Allocation of all resources (including Capital resources) will be governed by the desire to move away from historic use into achieving more against Community Plan themes in these geographic areas of most need.

6. The Capital Strategy is one of the means by which the priorities of the Community and Council Plans will be achieved. We recognise that to accomplish our goals, best possible use needs to be made of existing public sector assets, while resources available for new investment must be deployed as efficiently and effectively as possible. The Council's new Constitution also recognises the importance of the Capital Strategy by making it one of the key documents which can be revised only by the Full Council.
7. The Capital Strategy itself was developed, and is reviewed annually, by a working group of senior officers including representatives of all Directorates, with input from Directors, and Cabinet & Select Committee members, prior to consideration by the Full Council.

### **Key Service Issues**

8. Most expenditure within the Single Capital Pot service areas will contribute to several Community Plan priorities, although the principal links, and Capital investment needs in each area will be:
9. **Education - Lifelong Learning** - by providing high quality accommodation conducive to a stimulating learning environment for school pupils and members of the community, ensuring that educational standards continue to rise. Over the next five years the priorities will be to maximise external investment in the infrastructure, and to ensure that overall patterns of investment from all sources are both "joined-up" and take account of Council priorities. In this broad context, the key investment priorities over the next five years will be:
  - To address the backlog of urgent repairs and maintenance identified by condition surveys for all schools and other Directorate of Education and Lifelong Learning assets.
  - To address issues identified by schools regarding the unsuitability of teaching areas - including the replacement of mobile classroom accommodation in a number of schools and the enhancement of existing provision to make it more appropriate for quality teaching and learning.
  - To address the lack of teaching accommodation where projected pupil numbers are higher than provided for through revised calculations of More Open Enrolment figures for all schools in accordance with DfES Sufficiency criteria.
  - To address the issues of surplus capacity in the both the primary and secondary sectors in line with projects arising from the review of primary and secondary school places.
  - To explore potential for further PFI projects to replace those school buildings with the most urgent need, as identified by the principles of Asset Management Planning, including condition and suitability of existing provision and assessment of sufficiency of pupil places, and in particular to develop proposals for the DfES "Building Schools for the Future" (BSF) secondary school replacement and refurbishment programme.
    - To continue effective bidding for external funding especially Targeted Capital Funding (TCF) to replace those school buildings with the most urgent need as identified by the principles of Asset Management Planning.
  - To develop the infrastructure required to deliver the Special Educational Needs (SEN) Strategy.
  - The development of integrated Children's Centres in the context of the overall Sure Start programme.
  - To continue addressing issues regarding access for disabled persons to all buildings.
  - To explore the use of innovative methods of procurement and building that will deliver cost-effective and high quality buildings for education and lifelong learning.
  - To address effectively issues relating to asbestos in schools.

- 10. Housing** - Environment, Good Health, and Community Safety - by ensuring everyone has access to a home that is warm, dry and affordable in a secure environment and that homes are compatible with people's needs. Following a rigorous appraisal of the options available to finance a modern housing service by the Council and its stakeholders, in July 2005 Government Office West Midlands signed off the Housing Option Appraisal report which recommended the 'Stay with the Council' option. This provided a clear endorsement that the key investment priorities for Housing up to 2010/11 were to provide a repair service to maintain and improve the Council's housing stock to ensure that Government Decent Homes standards and targets are met.

Other investment priorities for the next 5 years are:

- Use of grant aid to deal with unfitness and substantial disrepair in the private sector, and to provide Disabled Facilities Grants.
- Continued direction of Housing Corporation funding towards schemes that support regeneration and sustainable priorities and that meet identified housing needs.

- 11. Transport** - Environment and Jobs - by implementing schemes that will support sustainable economic development, offer genuine choice in transport modes, and protect the environment. Key investment priorities set out by the Department for Transport seek to address safety, air quality, accessibility and congestion. Schemes to be delivered in the West Midlands that address these priorities have been agreed with DfT and will feature in the 2005 West Midlands Local Transport Plan (LTP), including:

- Extending Midland Metro from Wednesbury to Brierley Hill.
- Re-establishment of the Walsall to Stourbrige line for rail freight.
- Two new Bus Showcase routes.
- Continued Local Safety, Pedestrian Crossing, Cycleway, Road Maintenance and Bridge Strengthening programmes.

The main priority is the Access Strategy for Brierley Hill.

The Black Country Study reporting in 2005 will examine transportation needs for the area to 2033 and inform future LTPs and establish priorities for investment.

Within the overall programme, Managed Neighbourhoods are given an explicit weighting in the allocation of Planned Highway Maintenance, and Local Safety Scheme resources.

- 12. Social Services** - Good Health - by maintaining and developing an asset base which allows the directorate to modernise and improve social care services, further securing high quality and relevance. The changing policy environment for the three most vulnerable groups in contact with Social Services - children, older people, and people with disabilities - focuses on promoting independence and providing community-based and person-centred solutions. The need for capital to be used to support this focus drives our capital strategy.

In addition, there is a clear expectation from the Government - supported by local will - that services need to be seamless and wherever appropriate and in the best interests of Dudley citizens, integrated with health care services.

These four goals - community based, person centred, seamless and integrated - also drive our approach to effective partnership working as a vehicle for enhancing limited mainstream capital resources.

Other current issues include the implementation of the five outcomes of “Every Child Matters” and the Children Act 2004. This requires a renewed focus on the needs of all children in the Borough but especially those with specific needs such as children looked after by the Council. In terms of assets, this will require reflection on the link between assets used by the Directorate of Social Services and the Directorate of Education and Lifelong Learning in shaping this agenda as mentioned below in our investment priorities. This context is also one that is the subject of inspection processes in the OFSTED/CSCI Annual Performance Assessment. Equally, in relation to services for adults, developments will be required as the aims and ambitions of the Green Paper “Independence, Well-Being and Choice” are finalised in legislation. Aspects of this include continued close working with the local PCTs and linkage with other solutions such as Extra Care Housing.

Current investment priorities are therefore:

- General Accommodation: some staff accommodation is not ideal for modern working and there is a general lack of space because of the need to provide additional equipment and facilities under the e-government agenda. In other areas, the infrastructure of some buildings requires upgrading. Where accommodation is outside acceptable standards investment is being prioritised to improve the general situation in terms of both space and facilities.
- People with Disabilities: work is continuing with partners in the NHS in using the 'flexibilities' of the Health Act 1999 to secure progress on our shared agenda.
- Older People: our residential home provision must comply with care standards and be appropriate to the needs of residents. Continued investment to comply with the various legislative requirements will continue for the foreseeable future,
- Children: development of integrated services in the context of the Children Bill/Act; development of a Children’s Resource Centre focussing on outcomes for looked after children which will also support the implementation of the outcomes of “Every Child Matters.”.. The recently published National Service Framework (NSF) for children will need a sub-regional and/or local focus to increase capacity to meet placement need, especially for more specialist settings, e.g. Children & Adolescent Mental Health Services. The Directorate is investigating and leasing additional staff accommodation to alleviate the pressure on existing accommodation caused amongst other things by new initiatives in Children’s Services, presently being delivered with the aid of central government funding.
- ICT: is continuing to be developed so that it further enhances service delivery for all the vulnerable groups, e.g. through closer working with health services, and ICT-supported assessment processes.

Prioritisation of resources between schemes is informed by legislative requirements, as well as property and service related data related to schemes under consideration.

The Council's vision for social care provision is based on the affirmation and local reality of a mixed economy of care. Decisions regarding capital expenditure are taken in the context of the Directorate’s role and responsibilities for developing an appropriate local economy.

- 13. Environmental, Protective and Cultural ("Other") Services** - Environment, Leisure and Culture, Jobs and Community Safety - by safeguarding existing facilities, and developing new facilities where appropriate, protecting public health, and by using the Council's enabling role to stimulate economic and social regeneration. Key investment priorities over the next 5 years are:

- More resources for maintenance and improvements to Cemeteries and Crematoria, especially at Gornal, Stourbridge and Lye.
- More resources to improve facilities and security within the Borough's Parks
- Addressing the key issues identified in the Playing Pitch Strategy
- More resources to maintain and update the Borough's Leisure Centres.
- Investment in the identification and remediation of Contaminated Land in line with the Council's Contaminated Land Inspection Strategy, in order to meet our legal obligations under the Environmental Protection Act 1990.
- Continued investment in the Leasowes Restoration.
- The development of Skate / Wheeled Sports facilities within the Borough to be located within each of the Area Committee areas in accordance with the Council's approved strategy for provision.
- Investment from the ODPM Liveability Fund which will see approximately £3.4m being spent on Parks and Open Spaces in the Borough, of which around £2m will be capital expenditure.
- Investment in projects directly contributing to the local Community Safety Strategy.
- Investment of around £400,000 per year, plus a further £150,000 in the current year of Implementing Electronic Government (IEG) funding , on projects to deliver the Council's 5 Year ICT Strategy and to implement Electronic Government. The Council has already successfully implemented Internet facilities to enable citizens to access forms on-line; to make on-line payments and query the status of their accounts and has recently introduced automated telephone payment facilities and electronic procurement. It is planned to extend these facilities and to earmark some of the IEG funding in support of Customer Service Centres and developing Customer Relationship Management software. The project to completely replace the Council's Corporate Financial Suite of programs is on target for April 2006.
- Continued investment from English Partnerships is ongoing to resolve the problem of Limestone instability at Wrens Nest in line with the Council's Limestone Strategy.
- Resources are being sought from DEFRA to enable the Mines Drainage system at Pensnett to be replaced.
- Maximum use of regeneration funding such as European Regional Development Fund (ERDF), Neighbourhood Renewal Fund (NRF), and Regeneration Zone resources, for the Council and its partners' regeneration initiatives.
- Customer/Citizen Access to Services (CATS); see section 8 below.

Managed Neighbourhoods will benefit in particular from the allocation of Community Safety Strategy and NRF resources.

### **Planning, Prioritisation and Implementation**

14. The Council's detailed Capital Programme is driven by this Capital Strategy and is based on forecast resource availability in terms of:
  - Government grants and Supported Capital Expenditure allocations (SCEs);
  - Revenue resources available for direct capital investment and to fund unsupported capital expenditure under the "Prudential Borrowing" regime;
  - Resources likely to be available from property disposals as a result of the property reviews (see below);
  - Other grants and contributions from public and private sector partners.

15. In addition to prioritising new capital schemes the Council also reviews its existing property and service needs corporately via the annual Corporate Land and Property Review. This process enables the Council to explore opportunities for more efficient and effective use of assets in light of changing service needs arising from Best Value reviews, property performance and the annual review of each Directorate's Asset Plan. Should there be no operational, commercial or social need for property retention, surplus assets are released through disposal; e.g. former elderly persons residence at the Woodlands, Dudley.
16. Revenue implications of the Capital Programme (debt charges and other costs) are fully taken into account in the Council's annual revenue budget and medium term financial strategy. In particular, pressures and priorities that can be met by (unsupported) capital investment are considered alongside other revenue pressures in the light of overall revenue resource availability.
17. Ongoing review of the Council's activities in pursuance of Best Value - and in line with the "Gershon" agenda will also identify "Invest to Save" type initiatives which can generate long term net efficiencies from upfront capital investment - e.g. energy efficiency projects. The flexibility provided by the Prudential Borrowing regime will be used to implement such projects.
18. The procedure for prioritising detailed Capital Investment proposals is outlined in the Council's Financial Management Regime. The Cabinet agrees schemes to be included in the Capital Programme. Prior to inclusion in the Programme, each scheme proposal must be justified against the following criteria.
  - Does the scheme contribute to the delivery of the Council's strategic objectives as set out in the Community Plan and Council Plan, i.e. does it reflect the requirement to move away from historic use of resources into achieving more against Community Plan themes in the geographic areas of most need (Town Centres and Managed Neighbourhoods)?
  - Does the scheme contribute to the achievement of a specific objective as set out in a Departmental Service Plan or Service Capital Strategy, and/or assist the Council to meet its statutory objectives or respond to new legislative requirements, and/or contribute to the achievement of "Best Value"?
  - Can the scheme be supported by a coherent funding strategy, and will it minimise use of the Council's own resources? This will include consideration of the revenue consequences of any proposal - both capital charges, and any ongoing running costs.
  - Does the scheme have a clear and well thought out brief which defines the objectives of the project?
  - Has the scheme been fully evaluated against alternative methods of achieving the same objectives, and alternative funding sources? A detailed project appraisal is required for all projects costing more than £100,000.

19. It is the responsibility of Directors to make sure that prioritisation of individual capital schemes *within* the overall Capital Programme, *within* service programmes, and *within* spend headings is robust and stands up to scrutiny. Prioritisation will include formal scoring mechanisms or other objective methods wherever possible and appropriate. For example, the Directorate of Education and Lifelong Learning use a prioritisation matrix for allocating School related funding and the Directorate of Social Service has recently developed a simplified version for their capital projects. Whilst each Directorate has a robust mechanism in place for prioritising capital expenditure, general procedures for prioritising detailed Capital Investment proposals are outlined within the Council's Financial Management Regime.
20. The procedures for monitoring of specific schemes, as set out in Standing Orders, are as follows.
  - Directors identify a Lead Officer for each project who will take overall responsibility for co-ordinating all aspects of the project's implementation.
  - Meetings are held at regular intervals between Lead Officers and representatives from the Architects, Engineers, Quantity Surveyors, Finance and any other relevant professionals to monitor progress of schemes in each department's programme. Following these meetings, a monitoring report is produced and circulated to the relevant Director.
  - Overall Capital Programme Monitoring reports are submitted monthly to the Corporate Board and to each meeting of the Cabinet.
21. The Council's Standing Orders also deal in detail with the procurement processes involved in implementing Capital projects, and in particular require that Best Value be demonstrated in respect of all contracts. In pursuance of Best Value, with particular emphasis on ensuring that Capital projects deliver the intended outputs, the Council is also increasingly implementing the recommendations in the "Egan" and "Latham" reports, e.g. in relation to building maintenance.
22. Standing Orders also require that the appropriate Director undertakes a post completion review of each capital scheme costing over £100,000 when total outturn costs have been determined. The review comprises a comparison of the outturn costs with the approved budget and consideration of whether the scheme met its objectives. The results of these reviews are reported to the Cabinet.
23. Detailed guidelines for "Management of Capital Projects" are set out in the Council's Manual of Good Practice, which was formulated following the Audit Commission's Reports "Just Capital" (1996), and "Rome Wasn't Built in a Day" (1997), which constituted a handbook for obtaining value for money from capital programmes and construction projects.
24. Reviews of areas of activity with particular relevance to Capital Expenditure and Asset Management form part of the Council's Best Value Review programme.
25. The Strategy not only covers all aspects of Capital expenditure within the Council, but also those areas where the Council works in partnership - using its own resources as "matchfunding" to maximise the overall resources available for its own and its partners' priorities. It will also clearly inform the bidding for and management of additional Capital resources (e.g. for Central Government, Europe and the National Lottery), together with sources of funding not under the strict legal definition of Capital - such as leasing, the Private Finance Initiative (PFI), and other partnerships.

26. Whilst recognising that there are means other than PFI to finance capital projects, Council procedures require that PFI is always considered as an option for funding for any proposed Capital scheme. As a result of this proactive approach, the Council has been particularly successful in obtaining Government support for its PFI proposals - most significantly in the area of Education & Lifelong Learning. With the Dudley Grid for Learning (DGfL) project, the LEA is now 6 years into a 10 year PFI contract worth £49m which provides ICT networking hardware, software and training for both teaching and learning and school management on an integrated network. It also seeks to extend into the wider Dudley community to support the Council's life-long learning priority. The Paragon Project replaced two schools (to address some of the most serious health and safety, condition and suitability issues identified through the AMP process) with both Colley Lane Primary and Summerhill Secondary now open in excellent new buildings. The Council is currently assessing AMP data for prioritisation of potential future PFI schemes in accordance with Government criteria.

### **Links to Partners**

27. In addition to the strategic partnerships linked to the Community Plan priorities, the Council will also continue to work with a wide range of partners at an operational level to enable the successful implementation of the Community Plan actions. These are too numerous to list completely, but include:

School Governing Bodies, Colleges of Further Education, and Learning & Skills Council (Education)

Local Housing Associations, Registered Social Landlords, and Tenant and Residents' Associations (Housing)

Neighbouring Authorities, Centro and Westfield (Transport)

Local Hospital and Primary Care Trusts and non-statutory care providers (Social Services)

Advantage West Midlands, Black Country Chamber and Business Link, Government Office for the West Midlands, Job Centre Plus (Other Services)

Brierley Hill Regeneration Partnership (All Objectives)

Dudley Community Partnership (All Objectives)

Private Sector Developers (All Objectives)

28. Some current examples of how we co-ordinate activity with our partners, to achieve the Plan's aims are:

#### **West Midlands Local Transport Plan**

29. In the mid 1990s, Dudley together with the other West Midlands Metropolitan Authorities and Passenger Transport Authority pioneered the transport package approach, working together to produce a vision and strategy for the whole of the West Midlands conurbation. The authorities have continued to work in partnership in submitting their provisional and subsequent full Local Transport Plan. The partnership works at both officer and member level in the development of conurbation wide networks of public transport, expanding the metro system and developing new approaches to transport issues. It has made it possible to implement programmes and schemes which do not stop at local authority boundaries. The DfT has awarded the West Midlands £1bn for investment over the period to 2010 in recognition of the work undertaken in developing spatial planning through the WMMAS and now the BCS.

### **Social Services Capital Strategy**

30. The provision of shared facilities between the Council and the NHS was established with the Sedgley Library, Health & Social Care Centre which was financed through PFI.

As part of the NHS plan published in 2000, funding was made available for investment in Primary Care Trust (PCT) facilities. One of the funding / delivery methods available to PCTs is through the Local Improvement Financial Trust (LIFT) initiative. The principles of LIFT are similar to PFI with the private sector providing the initial capital investment and facilities management.

The Council is hoping to participate as a partner in a number of Dudley South PCTs first tranche LIFT projects, namely:

- Joint facilities for learning disabled people - including Learning Disability Community Teams;
- Joint Health and Social Care Centre in Brierley Hill - including accommodation for Home Care, Children & Family, and Adult Care staff.

Later tranches may also have some involvement from the Council if there is considered to be an appropriate strategic fit of the relevant health and social care services.

With restricted mainstream capital resource, the Directorate has appointed a Social Regeneration Co-ordinator to identify other avenues for attracting capital resources into the Directorate. One of the projects being considered for external / partnership resourcing is a new Disabled Living Centre.

### **Castle Hill Redevelopment**

31. This major innovative public sector/private sector joint venture project with St. Modwen Properties and Bellway Urban Partnerships which has the support of Advantage West Midlands and has received planning consent with construction expected to commence in 2006, consists of:

- Castle and Zoo to form one attraction.
- "Siegecraft" (historic exhibition of the origins of Dudley Castle and Medieval life) to be incorporated into the existing exhibition area within the Castle.
- "Origins" (historical, palaeontological and biological exhibition comprising 1,755 sq m of floorspace).
- 7,430 sq m garden centre.
- 2,788 sq m restaurant / fitness club.
- 2,900 sq m motel / pub.
- 43 units comprising a maximum of 929 sq m crèche, 2,787 sq m restaurants and 4,180 sq m of heritage, craft and tourism related retail.
- 65 residential units.
- Construction of new access to Tipton Road, internal access roads and car parking areas and the construction of a miniature railway to serve the visitor attractions.
- Diversion of a public right of way.

### **Dudley Town Centre & Brierley Hill Regeneration**

32. Work has now been completed in the form of Supplementary Planning Advice for the regeneration of Dudley Town Centre which will guide investment and improvement over the next 10 years. This Guidance will take effect upon the adoption of the Unitary Development Plan. The emerging Town Centre Partnership will take a critical role in taking this work forward. In addition, in accordance with the Council's new Corporate Property Policy and Office Accommodation Strategy, work is underway with external partners to explore the possibility of triggering regeneration through the development of new Council office accommodation.

The Brierley Hill Regeneration partnership continues to guide the £8m ERDF investment in the regeneration of Brierley Hill.

### **Sure Start Partnership**

33. This has been developed to promote the well-being of all children within identified areas. The implications of the Government's indication that Sure Start should become an integrated part of mainstream service provision will need to be considered by the Council and its partners.
34. The Council also actively looks for opportunities to work with new partners, wherever appropriate.

### **Consultation**

35. The Community Plan is the outcome of a range of consultative activities based on the "Agenda for Action" - which set out a range of issues and choices facing the Borough. There was a great deal of positive public comment on the Agenda, from individuals, groups and agencies.
36. The Council has, and will continue to provide a lead in developing the Community Plan. However, the Community Plan signals a determination to work in partnership: with public agencies, voluntary and private sectors, and the local communities of the Borough all playing an important role. The objectives contained within the Community Plan cannot be achieved by the Council alone. It requires a sustained partnership with other agencies and the continuing involvement of the public.
37. It is also essential that the Community Plan itself is regularly reviewed to ensure that:
- The local community still agrees with the priorities;
  - There is widespread support for the actions proposed within each priority;
  - Local communities are able to express their needs;
  - We are open and accountable in judging our performance;
  - The plan is updated to keep it relevant and accurate.
38. Each year, the Council holds a "State of the Borough" conference to report back on progress in achieving the goals of the Community Plan, and to identify any further issues that need to be included. The annual Council Plan is also subject to public consultation. As the Capital Strategy is one of the means by which the Community Plan and Council Plan priorities are implemented, any changes to the Community and Council Plans arising from the above consultation will feed through into the Capital Strategy where appropriate.

39. This is supplemented by detailed stakeholder consultation on particular aspects of the Strategy, including for example:
- Consultation with Headteachers and Governors on the Education aspects of the Corporate Property Policy and Capital Strategy via various working groups and presentations;
  - Consultation with users on potential Capital Strategies for the future of Leisure Centres, as part of the Best Value review of that service.
  - Consultation with "hard to reach" groups on Social Services capital issues. For example, the Directorate of Social Services used the Black Country Children's Rights Project to consult with children looked after by the Council concerning the replacement for the Fairhaven Children's Home including consultation about how the new building should look both inside and out. In addition, the Department is working with the Housing Directorate and partners from the African-Caribbean community in connection with specialist housing solutions for African-Caribbean elders, which may include housing-with-care. Consultation has been undertaken to bring this initiative about through the Nehemiah Housing Association.

### **Links to other Strategies and Plans**

40. As outlined earlier, the Capital Strategy is one of the means by which the priorities of the Community Plan and Council Plan will be achieved. Under the umbrella of these Plans, the Capital Strategy, like the Best Value Performance Plan is one of the key overarching policy documents of the Council that form a framework for the more operational strategies within particular spending or service areas. These include:
- Schools Asset Management Plan
  - Housing Strategy and Housing Investment Programme (HIP)
  - Education Development Plan
  - Local Transport Plan (LTP) and Highways Asset Plan
  - Economic Strategy
  - 5 Year ICT Strategy
  - Social Services Strategic Plan
  - Corporate Property Policy, Office Accommodation Strategy, Commercial Property Policy and Directorate Asset Plans.
41. The Council now has five year Directorate Asset Plans in place for each Directorate. Reviewed annually these documents consider the needs and aspirations of all services in the context of current and future accommodation needs. They are consistent with strategic plans and policies and inform the capital programming process.
42. As these and other policy or strategy documents are developed or revised, they will show clearly how they contribute to the Capital Strategy. The cross-departmental management framework established to develop the Capital Strategy will ensure that the necessary consistency and feedback into service strategies is achieved.

43. The Capital Strategy has been formulated in parallel with the Corporate Property Policy and the DfES AMP, all of which will continue to develop alongside the Council's Information and Communication Technology strategy and Implementing Electronic Government statement. Responding to the challenges of electronic government will inevitably mean a different approach to service delivery and result in changes to asset / accommodation needs - for example the potential requirement for specific accommodation to house customer service centres or other citizen contact points, and also opportunities for reducing accommodation by utilising new technology and working practices.

### **Performance Management and Innovation**

44. In pursuance of Best Value (and more recently the "Gershon" agenda), the Council has applied the principles of procurement advocated in the Latham Report, (Constructing the Team 1994) and the Egan Report, (Rethinking Construction 1998) in a number of projects. In recent Best Value Reviews, particular emphasis has been placed upon addressing the needs and expectations of the end user, evaluating innovative ways of procurement such as partnering along the supply chain and aiming to achieve efficiencies in cost, time and quality. The Council's commitment to innovation is demonstrated by its successful PFI projects, and its partnering schemes which already have an established track record of seeing projects completed within budget and on time. The Council has recently established a new procurement mechanism based upon two prime contract collaborative partnerships for an innovative approach to the delivery of its buildings repairs, maintenance and minor capital projects. These make use of longer term contracts, emphasise quality as well as cost and generate efficiency savings/gains through reduced administration. The Council has also awarded an Early Contractor Involvement contract for delivery of the capital schemes in the LTP. These initiatives will continue to be monitored and reported to members.
45. In addition, the Council has adopted the European Foundation for Quality Management (EFQM) Excellence Model as its framework for continuous improvement in all its functions. This focuses on gathering and using customer and stakeholder views, and encourages target setting, benchmarking and the establishment of effective performance management arrangements. It particularly emphasises efficient deployment and use of resources, and provides a structure for Best Value reviews.
46. Following a Corporate Assessment in 2003, improvement teams were established to review performance management, project management, process management, people management, planning and leadership. This resulted in a number of improvements being made such as the new Corporate Project Management Guidelines. These provide structured guidance in the management of simple and complex capital projects from inception to post completion review. Use of the guide is also complemented by an improved formal training programme and a new electronic capital project directory.

47. In respect of property and construction, the Council has adopted the Construction Best Practice Programme national key performance indicators. To support these headline indicators, operational performance indicators are being developed which will provide statistical data by which continuous improvement can be measured and monitored. The Council's operational procedures for executing capital projects have been evaluated and amended procedures have been implemented. Operational risk assessments will be implemented on all major capital schemes and identified risks will be monitored throughout the life of projects. Nationally, we have been involved in the Construction Best Practice Programme, and regionally as a member of the Capital Design Group for capital works construction. We are also in the process of stimulating interest amongst the Black Country authorities with a view to sharing experiences and best practice.
48. For improved property management, in addition to adopting the 5 high level national indicators, the Council has developed local indicators aimed at measuring the performance of individual and groups of properties. The Council is also working towards ensuring that all property costs can be apportioned to individual properties with the objective of introducing space charging over the next 5 years. To facilitate continuous improvement, the Council also takes part in national and regional benchmarking activities.
49. We are committed to sharing the results of performance measurement and benchmarking with stakeholders. For example, Corporate Estates Services use the Council's Intranet service to publicise performance against its Key Performance Indicators.
50. In terms of the Community Plan, each of the partnerships described above regularly reviews the commitments outlined for their respective priority area, with a regular cycle of reports to the public on progress. The overall effectiveness of our current partnerships to deliver the Community Plan is also regularly reviewed.

### **Crosscutting Activity**

51. The Community Plan itself is an example of a corporate approach being taken with our partners to address the identified priorities within the overall crosscutting aim of a Fairer Society through the elimination of Social Exclusion. Each of the Community Plan priorities itself involves crosscutting activity to achieve the desired outcomes, usually with two or more council departments and several partners working together. Increasingly, most major Capital projects are therefore crosscutting in nature, particularly those schemes designed to meet regeneration objectives.

52. Current examples of major Crosscutting Initiatives are:

#### **Customer/Citizen Access to Services (CATS) Programme**

53. The CATS programme involves significant changes to the operational and organisational structure of the Council, including:
  - the creation of a new Customer Services Organization (Dudley Council Plus);
  - migration of certain parts of Council service delivery activity to this new organization;
  - changing business processes in directorates, both to transfer services to Customer Services and to improve process efficiency;
  - opening of new customer service locations and closure of many existing Council public reception points.

Each of these will have implications on budget planning and management. A significant part of the business case is based on “not spending money on refurbishment of many of the current public access points” and instead spending it on customer service points.

The CATS programme is large and complex and by necessity will need to be phased over several years. The Council has approved the undertaking and implementation of the CATS ‘Change Management’ programme which is focussed on reorienting the Council to a customer/citizen centric organisation. A CATS Programme Implementation Team has been established and is working to an agreed strategy.

The first of the new Dudley Council Plus centres opened on 23<sup>rd</sup> May 2005 and provides for a new customer service operational capability with a focus on providing improved walk in and telephone-based information provision and specific customer service delivery and request handling operations. Subsequent phases will build on the capability delivered, widen the service portfolio, and introduce new customer/citizen service centre operations in Town Centre locations together with additional information/contact facilities in local neighbourhoods.

The Council’s Asset Management Planning process will need to account for the impact of the Dudley Council Plus operation, CATS programme, changing needs of the organisation and new ways of delivering services. The Accommodation Strategy is also being prepared in the context of the requirements of this programme and appropriate Capital funding will be needed in order to complete the roll-out of the Programme. The full budgetary requirements will be assessed as implementation proceeds and in the context of the developing ‘cross-cutting’ customer/citizen contact strategy for the Council.

There are two specific funding initiatives that contribute to the CATS programme - IEG and the Local Public Service Agreement. Both have specific targets to be met relating to customer access to services.

### **Regeneration**

54. Property decisions are impacted upon by a variety of factors and in particular there will be consequences resulting from the regeneration of Town Centres, the impact of the Customer Service Centre location in Dudley Town Centre and other initiatives which result from Council’s accommodation requirements. The process will need to exploit synergies between various Capital projects and initiatives including taking advantage of the benefits available to staff with the increased usage of the Dudley Council Plus centre/s.

In meeting the needs of the Borough’s citizens the strategies and policies for Customer/Citizen contact arrangements will provide the overarching principles for the developing customer/citizen contact points. This will account for the demographic nature of the Borough, the Council’s building/accommodation needs, and the necessary marketing/branding profile. The Council is actively pursuing long term partners to be incorporated within the Dudley Council Plus Customer Service centres. This will enable the delivery of a ‘one contact’ service with benefits for customers and efficiency improvements.

### **Neighbourhood Renewal Fund (NRF)**

55. With the introduction of the Neighbourhood Renewal Fund (NRF) the Council and its partners, through the establishment of its Local Strategic Partnership, the "Dudley Community Partnership" are building on their successful corporate approach to regeneration to ensure the relevant Public Service Agreement targets relating to the national renewal priority areas of worklessness, crime, education, health and housing, and the physical environment, are met. To this end, a Neighbourhood Renewal Strategy was approved by the Partnership and submitted to the Government in March 2002.

It is envisaged that the new Community Strategy, to be launched in September 2005, will include Neighbourhood Renewal priorities. These will further be reflected in the detailed action plans, focussed on closing the deprivation gap between the borough's neighbourhoods by improving the quality of life in the neighbourhoods that are most deprived.

Dudley, along with the other 87 NRF funded local authority areas, is within its final year of receipt of funding in the current national programme. A decision is to be made shortly by the Government as to the criteria on which future allocations of NRF will be distributed.

### **Social Services Capital Strategy**

56. As another practical example of how Council departments ensure a joined-up approach to crosscutting activity of a capital investment nature, the Social Services capital strategy links to the Council's work on Social Exclusion through the NRF. Relevant Social Services officers are part of the process for considering comment on expressions of interest to the NRF - which can include applications for capital funding, the intention being to promote an integrated approach to service development and avoid duplication. The Social Services Department is also currently working as part of the whole council to develop its contribution to PSA targets. In particular, consideration is being given to devising meaningful local asset management performance targets to link with the overall performance framework.

### **Conclusions**

57. The Council continues to make significant progress in the prioritisation of capital expenditure within available resources, and the management of capital projects from the identification of need to final completion.
58. We have also recognised the importance of strategic management of property assets, and acknowledge the role of Asset Management Planning and the Capital Strategy in achieving this.
59. We look forward to realising the benefits of fully implementing best practice in property management, as part of our overall commitment to Best Value, and the modernisation of Local Authority service delivery.