

Capital Strategy 2009

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Introduction

1. The aim of the Capital Strategy is designed to ensure that all our capital assets and resources are utilised as effectively as possible to address the priorities for Darlington as set out in the Sustainable Community Strategy. The Capital Strategy sets out the Council's key priorities and shows how the Planning Framework translates those priorities into detailed plans. It sets out our capital spending priorities over both the medium and long term and our approach to how those spending priorities will be funded. It also sets out how we will use Partnership working to help us to achieve our objectives. Finally it looks at how the Capital Programme will be set, managed and monitored.

- Aspiring Darlington - enabling people to develop and achieve their aspirations, and to maximise their potential
- Healthy Darlington- improving health and well-being for everybody, irrespective of social, economic and environmental constraints
- Greener Darlington- ensuring an attractive and 'liveable' local environment, and contributing to tackling global environmental challenges
- Safer Darlington- creating a safer and more cohesive Darlington

6. The actions set out within each of the five themes are focused on the short and medium term, but needs and priorities will shift, and new actions emerge, over the lifetime of the plan, its structure is designed to accommodate this. All of these themes have both short term and medium term work strands

The Councils Key Priorities

2. 'One Darlington : Perfectly Placed - A Vision for Darlington 2008-2021 A Sustainable Community Strategy was adopted by the Local Strategic Partnership and the Council in March 2008. The Vision for Darlington is concerned with preserving and strengthening all that is good about life in Darlington, whilst tackling what needs to be improved to build a better quality of life for everyone across the borough community.
3. The Vision has two priorities: One Darlington - embracing our approach to people, and specifically the need to make sure that people are not disadvantaged by their lack of income, where they live or by any other potential disadvantage that could cause them to miss out on opportunities that will be created by realising our vision.
4. Perfectly Placed - describing Darlington as a place and helping us shape our investment decisions, spatial planning and care for the environment.
5. In order to deliver those priorities and the improvement actions resulting from those priorities five themes have been developed which are:
 - Prosperous Darlington - focused on creating a vibrant economy and prosperity for all, recognising the quality of life that makes Darlington perfectly placed

Darlington's Planning Framework

7. Darlington's plans have been developed through a combination of topdown and bottom up planning. The former identifying the above delivery themes. The bottom up approach involving 25 broad service areas each considering their drivers for change such as Government Policy, local factors, performance levels and customer views etc.
8. The Capital Strategy exists within a framework and hierarchy of plans and strategies:-
9. The Sustainable Community Strategy at the highest level articulates the vision and sets out the shared aspirations of all partners in securing outcomes for Darlington communities. This was produced by the Darlington Local Strategic Partnership (LSP).
10. The Medium Term Corporate Plan 2009-2013, provides the link between the Sustainable Community Strategy and how the Council as a service provider contributes to the longer term social, economic and environmental well being of the area. It provides an annual assessment of our performance against our aims, priorities and targets at a corporate level and our

contribution to the Sustainable Community Strategy themes. Statutory Plans and Strategies, of which this is one, reflect the breadth of services the Council provides or has involvement in, and which develop aims into specific spending programmes, targets and actions. Departmental and Divisional Service Plans are created annually to convert operational business plans into individual services. They provide a coherent framework of planned activity against objectives and allowing for the appraisal of staff against agreed team goals and individual targets.

stimulate further investment through the Darlington Gateway programme, including public transport through the development of a Tees Valley Bus Network and ultimately Tees Valley Metro System.

Approach to Corporate Planning

11. With the development of a new Sustainable Community Strategy for Darlington this was an opportune time to introduce the Council's new corporate planning arrangements aligning them with the delivery of the new strategy.
12. **A Sustainable Community Strategy –One Darlington :Perfectly Placed** setting out a long-term, sustainable vision for Darlington's future that meets the diverse needs of its existing and future residents, improving their quality of life and safeguarding the prospects of future generations
13. **A Local Area Agreement 2008-11 – a** three-year 'contract' between the Darlington partners and government to deliver on specific priorities that will help to make progress towards the 'One Darlington : Perfectly Placed vision set out in the sustainable community strategy, and a key vehicle for the Council's new role in 'place-shaping. The Council and its partners have identified 35 improvement targets from a national indicator set of 196 for inclusion in the agreement. The Council have a key role in supporting Chairs and Lead Officers with the 'Achievability Planning' to support the LAA action plan and delivering its own contributions to the targets.
14. **Tees Valley Unlimited and the Multi-Area Agreement.** The country's first Multi area agreement was signed between Tees Valley unlimited and the government in July 2008. The MAA is concerned with the delivery of major capital schemes for economic regeneration , housing and transport. In Darlington the MAA will have a particular impact on the resources available to

15. **Service Planning Arrangements –** Refreshed to ensure that internal planning arrangements are aligned with the new emerging strategic context and effective in delivering against new priorities.
16. **The Medium Term Corporate Plan 2009-2013–** This marks the move to a single co-ordinated planning framework for determining improvement priorities, at corporate, department and service levels and linking priorities to financial and investment planning. The plan operates on a four year cycle, annually reviewed during the budget process allowing budget approval and Council Tax setting to be co-ordinated with improvement planning.
17. **Leading Edge Organisational Strategy** will continue on developing the four key ways of working by, Influencing Public Services Champion for the interests of the citizen, Promoting Darlington and the Borough Council and Providing Public Services through the five strands Communications, Human Resources, ICT, Community Engagement and Business Transformation.
18. **Statutory Plans and Strategies**, of which this is one, reflect the breadth of services the Council provides or has involvement in, and which develop aims into specific spending programmes, targets and actions.
19. **Departmental and Service Plans** are created annually to convert operational business plans into individual services. They provide a coherent framework of planned activity against objectives and allowing for the appraisal of staff against agreed team goals and individual targets.

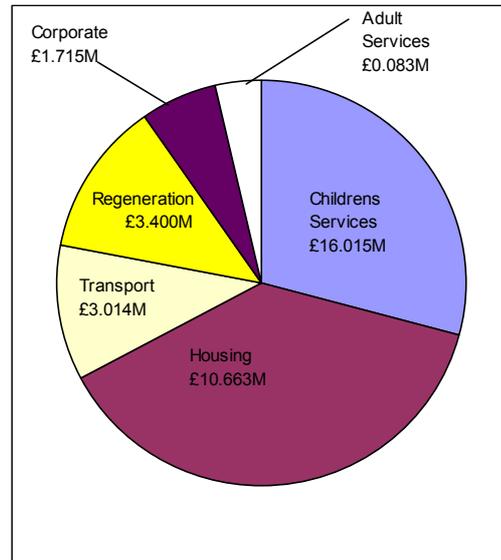
Consultation

20. The plans and strategies above have been subject to widespread public consultation which includes partners, local people, businesses and service users. The key methods of consultation include focus groups, stakeholder conferences, participatory appraisal exercises, Citizens' Panel questionnaire, public meetings, advertising features, reply slips, flyers and postcards. These arrangements are reinforced by service led consultation on specific issues, through community

engagement and our detailed links with partners. Information on all of these sources is fed into the Capital Planning process via programme bids. Capital Spending on CCTV and Parks and Cemeteries are examples of projects prioritised by community and stakeholder views. This Strategy has been developed within a planning framework in which stakeholders have a strong investment. The LSP and Sustainable Community Strategy gives greater breadth and depth to stakeholder and community involvement. This is reflected in our capital planning as an integral component of the framework. These arrangements support both input and feedback, so we are confident that, now and in the future, there is widespread understanding within the community of our financial constraints and the impact on the community wishes. Through a statistically representative annual community survey the authority assesses whether citizens see progress being made against priority areas and charts their satisfaction with individual services. The Capital Strategy itself is exposed to public examination through the Resources Scrutiny Committee.

Capital Spending Priorities

21. The Capital Strategy covers all areas of the Council's capital programme, which in total for 2009/10 is around £35M, including, Children's Services £16.015M, Transport £3.014M and Housing £10.663M. Other capital schemes relate to Regeneration £3.4M and Corporate £1.715M. Schemes approved within this programme have been assessed against the Sustainable Community Strategy and Corporate Plan and included in the Medium Term Financial Plan for Capital



22. The five connecting themes of the Sustainable Community Strategy and the principal blocks of capital investment, which contribute to them, are: -

Prosperous Darlington	Transport, Regeneration
Aspiring Darlington	Children's Services
Healthy Darlington	Housing, Adult Services, Culture and Leisure
Greener Darlington	Transport
Safer Darlington	Tackling Crime and ASB

23. Further linkages to the Sustainable Community Strategy can be found in the Capital MTFP within the Medium Term Corporate Plan 2009-13.
24. In addition to the core capital programme i.e. government grants, supported borrowing from Central Government and our own resources through capital receipts/prudential borrowing sources are secured from other external sources, including the Regional Single Programme and Local Area Agreement, which contribute to funding across all eight themes.
25. The Council recognises that there is not always a directly proportionate link between service improvement priorities and capital expenditure. By their nature, some service areas are more capital-intensive than others. This is reflected, for example, in the relatively high proportion of the Council's overall capital investment in Housing. The Council does, however, use a priority-based scoring mechanism to influence the allocation of

capital resources to services.

26. **Housing** –Darlington Borough Council invest in the region of £8M per annum in their housing stock and this has contributed to meeting the Government Decent Homes standards well in advance of the 2010 timeframe. Considerable Housing Revenue Account investment has been targeted at sheltered housing schemes delivering modern, purpose built accommodation to meet the aspirations of an increasingly elderly population promoting higher levels of independence and contributing to the wider health and well being agenda. Obsolete council owned housing stock has been remodelled or replaced to reflect modern living environments and raise energy efficiency levels to achieve appropriate affordable warmth standards. Housing Services have engaged proactively with key stakeholder partners across all sectors to address community issues such as community safety, through environmental improvements, improved dwelling design and physical environment to create sustainable neighbourhoods that are desirable, and, attract additional private investment to contribute to the worklessness agenda.
27. A new Financial Assistance Policy was introduced in 2007 based upon Government encouragement to move away from grant based financial assistance to one based upon loan assistance. This represented a major cultural change within the private sector and places Darlington amongst the leading transformational local authorities in the region. The Financial Assistance Policy focuses on four priority wards within the Borough identified as those containing the poorest quality housing and in most need of positive intervention, support and assistance. The local Financial Assistance Policy is regularly reviewed and monitored to reflect the increasingly changing and volatile current housing market, and, will be informed by the outcome of the Private Sector Housing condition survey due to be completed in June 2009. Darlington remain a leading authority actively moving towards adopting a common Regional loans product in 2010 to ensure there is continuity of investment for Darlington.
28. Darlington are actively involved in the Tees Valley sub-region and have successfully secured through these existing partnership arrangements, Growth Funding of £6.2M over the next two years for the sub-region. This will provide an opportunity for the sub-region to invest in infrastructure to facilitate additional net housing as well as additional net housing growth itself. This represents an invaluable opportunity to reinvigorate communities and deliver real and sustained housing growth in an integrated way to improve local economic conditions. Darlington are also engaged sub-regionally in identifying and developing new housing delivery mechanisms through the Sub-Regional Credit Crunch Task Group, that can deliver a new range of housing products that are accessible, affordable and deliverable in a period of global economic uncertainty. Darlington along with its sub-regional partners are exploring new and innovative approaches to increasing investment for the sub-region through direct dialogue with the newly established Homes and Communities Agency (HCA) and collaborative procurement of common products and services with its local authority partners.
29. Further details of capital investment in housing can be obtained from the Housing Strategy 2008-12, which is available on request from housing@darlington.gov.uk
30. **Children's Services** - - Capital spending sits at the centre of the Council's drive to raise standards and the long term aim of enabling every child to be able to attend a Darlington school with facilities suitable for the twenty first century. The key driver for capital spending decisions in education being to raise educational standards by delivering modernization projects through joining up available funding streams from a variety of sources, maximising the use of every pound. The Council is undertaking a £14.5m project for the refurbishment and rebuild of Hummersknott School and Language College. Construction work on this exciting project is underway and the first phase, the new science and arts wings, were completed on time in the summer of 2008. The refurbishment of the rest of the school and grounds will be completed in September 2009
31. A £10m capital project at Carmel Technology College to remodel and refurbish the school is due to complete this Spring.
32. A new school building for Eastbourne Church of England Academy broke ground in May 2008. The £15m Academy building (sponsored by Diocese of Durham and David and Anne Crossland and delivered by Darlington Borough Council) will be completed in September 2009. Eastbourne will be the first Academy to be delivered through the Government's accelerated

- programme.
33. The Authority is utilising a capital funding allocation of £2.747m across three financial years, 2008/09 to 2010/11 directed towards the delivery of the Ten Year Childcare Strategy and towards supporting Primary schools to develop extended schools services as set out in the Extended Schools Prospectus. The funding is being used to continue to develop the network of Children's Centres, Extended Schools, and sustainable early years and childcare provision.
 34. Darlington was announced as a pathfinder authority in the Primary Capital Programme, and was asked to commence a £6.5m rebuild of North Road Primary School a year ahead of the major PCP programme.
 35. In June all local authorities were asked to submit a detailed programme demonstrating how they would use further PCP funding to improve primary education in their area. In November 2008 Darlington was identified as one of only 41 authorities that had received unconditional approval for its school refurbishment plans.
 36. Darlington's PCP programme will commence in 2009 with a range of targeted projects at 17 primary schools. The PCP programme will augment the work done over the last 5 years to replace or refurbish primary schools and will mean that by the end of the programme, significant Capital investment will have been made to all of the Authority's Primary Schools.
 37. **Transport** - As in previous years, the Council will use capital finance allocated by the Department for Transport (DfT) to improve the local transport network as set out in the Second Local Transport Plan (2LTP) for the Borough.
 38. The work will concentrate on contributing to the objectives of the Darlington Partnership by continuing to provide good accessibility to local facilities, encouraging sustainable travel and helping people be healthy. The Council will continue to do this, with a focus on tackling traffic congestion through its strategy of making the most effective use of the road network by increasing capacity at pinch points and better management; whilst preparing for the longer term via travel behaviour initiatives. Examples of the physical work planned include the proposal to build a new junction at North and Whessoe Roads to improve traffic flows.
 39. The Council is also continuing to invest to achieve the core targets that it has set itself in the 2LTP, in particular those on bus patronage, bus satisfaction and bus punctuality and the condition of 'B' and 'C' class roads. The Council plans to introduce Civil Parking Enforcement in 2010/11 and to undertake a programme of network management minor schemes, in order to meet its responsibilities under the Network Management Duty.
 40. The delivery of schemes through the 2LTP will continue to be integrated with those delivered using funding from Cycling England (funding awarded until 2011), private developers and the European Commission.
 41. The Department for Transport (DfT) has allocated capital funding to Darlington until March 2011 to deliver the Second Local Transport Plan. The DfT will issue draft guidance on the development of a Third Local Transport Plan covering the period beyond 2011 in December 2008.
 42. **Adult Services** - Any capital spending must link to service development and configuration needs as identified in service plans. These developments will be progressed in partnership with other agencies (particularly Health Agencies) to provide services which enable integrated, flexible and person-centred care to best meet the needs of service users. The priority for 2008/09 and beyond is the continued reconfiguration of the day care services for people with a learning disability. This is a time of significant change for Social Services and it is possible that priorities may change dependant upon service reconfiguration proposals and changing models of care. The priorities will therefore continue to be reviewed annually.
 43. **Regeneration** - "Regeneration projects will focus on strategic spatial priorities identified in the Taking Forward the Darlington Gateway research and included the Tees Valley City Region Business Plan and Regional Economic Strategy.
 44. Priority projects include the development of the Feethams and Beaumont Street area, masterplanning of the Town Centre Fringe area and establishing Faverdale as a logistics hub.
 45. Darlington is also a partner in a Tees Valley wide Housing Growth Point partnership which will focus on bringing forward key housing and employment sites"

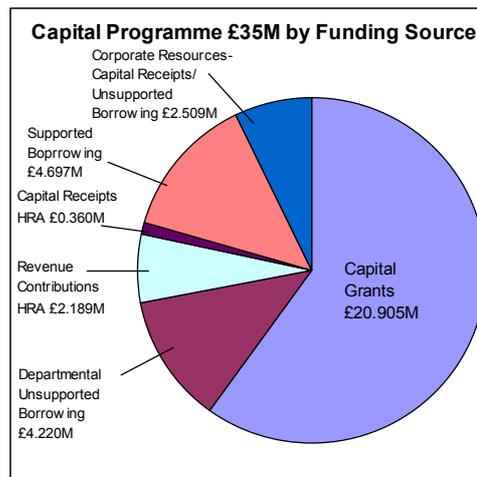
46. Details of these and other priorities for the Council's assets can be found in the Asset Management Plan.

Funding Sources

47. There are four main funding sources for Capital projects
- External Grants and Contributions
 - Borrowing, both supported by Central Government whereby they provide the council with revenue resource to pay borrowing costs, and unsupported through the Prudential Code for Capital Expenditure in Local Authorities
 - Capital Receipts
 - Revenue Funding
48. The vast majority of the Capital Programme is financed from earmarked resources direct from central government and these are in the form of government grants or supported borrowing. These resources are targeted at specific services, principally Housing, Children's Services and Transport. The Capital programme is then supplemented with Capital Receipts generated from the sales of the Council's surplus assets because of the economic downturn this funding stream is likely to be much reduced over the next few years.
49. Revenue resources can also be used, however revenue budgets are under increasing pressure and there are no proposals to make significant revenue contributions, other than through the Housing Revenue Account.
50. Before the introduction of the prudential capital regime the level of discretion that the authority had in determining its capital priorities was limited to projects funded from capital receipts and any areas of the single capital pot which do not relate to Housing, Children's Services and Transport. The introduction of the prudential capital regime on 1st April 2004 has allowed the Council to borrow without approval from central government. The Capital Medium Term Financial Plan had assumed a number of capital receipts to finance a number of existing schemes and because of the economic downturn these have not been forthcoming. This expenditure will now be funded in the short term by additional prudential borrowing the cost of this has been included in the Revenue MTFP. The

cost of prudential borrowing, principal and interest payments are not supported by central government through the Revenue Support Grant and must be borne by the Council Tax payers.

51. The introduction of the prudential capital regime has also enabled the Council to commence a number of Invest to Save schemes such as the refurbishment of the Dolphin Centre, Highway Improvements and the purchase of Vehicles and Equipment which would have formally been leased. Invest to save schemes, which are approved on a business case, can also benefit the authority by creating additional income over and above those required to cover financing costs and so contribute to efficiency savings in future years,
52. The Borough Council where possible seeks to access funding from other sources for capital projects. In recent years it has been successful in obtaining capital monies from a number of sources both in the form of capital grants and other contributions including the National Lottery, Regional Single Programme, Education Targeted Capital, European Union Grants and contributions from developers. The authority's External Funding Guide aims to improve the Council's approach to external funding by promoting good practice, outlining new procedures and raising awareness of possible funding streams. It should also prevent competing bids being developed.
53. The Borough Council will continue to consider public private partnerships including the Private Finance Initiatives (PFI) where appropriate. The new Educational Village at Haughton opened in April 2006 is being financed through a PFI with our partners in the project Kajima. The capital cost of the new Academy at Eastbourne will be met by Central Government.
54. The Council recognises the changing pattern of service delivery and limitations on traditional capital investment and looks to innovative solutions in the future.



Darlington : 'Perfectly Placed' vision.

58. The Council's principle sub-regional orientation, however, is now towards the Tees Valley. Tees Valley Unlimited (TVU) is the structure created by the five Tees Valley authorities to drive forward improvements to the economic infrastructure and performance of the Tees Valley as a whole. The country's first Multi Area Agreement (MAA) was signed between TVU and the government in July 2008. Locally the MAA will have a particular impact on resources available to stimulate further investment through the Darlington Gateway programme, and it is also aimed at improving public transport through the development of the Tees Valley Bus Network and the longer-term potential for a rail based Tees Valley Metro system. Tees Valley Urban Regeneration Company spearhead inward investment, this company was set up, with One North East and English Partnerships, to facilitate major regeneration and economic development projects. In Darlington these developments include Central Park at Houghton Road. Other joint ventures with One Northeast include Morton Palms and Faverdale East Business Park.

Partnership Working

55. Darlington Partnership is the Local Strategic Partnership (LSP). The Council has established a Community Partnerships Section within the Community Services Department. The team is developing partnership work at a local level, with residents, tenants associations and community partnerships, promoting capacity building to support regeneration initiatives. This level of work is supported by the consultative arrangements and forums established by the Council. Secretariat arrangements for the LSP have been strengthened through the appointment of a chief executive and extended team.
56. The Council continues to work with partner agencies covering the Darlington and Co. Durham area. Significant areas of work include Youth Offending and Community Safety, Health and Social Services initiatives, Waste Disposal, and components of Support Services, Children's and Highways services.
57. Partnership work has also entailed undertaking joint Best Value reviews. Youth Offending and Community Safety is a partnership service with staff and resources from the Council, Police, Probation and Health services. Similarly Adult Services and the Primary Care NHS Trust provide an Integrated Service with pooled budgets for Learning Disability. Community Mental Health now operates as an Integrated Service and has had formal status from 2002. In addition the Council now has in place a new Local Area Agreement (LAA), which will make progress towards the 'One

Procurement

59. Procurement is an essential part of establishing value for money for the council in purchased goods, services and works striking a balance between delivering the efficiencies required by Gershon and our medium term financial plan whilst at the same time achieving socially responsible procurement, which will support the delivery of the aims and objectives of SCS. There is a lot that can be done to develop and support the local economy using effective Commissioning and Procurement. The Corporate Procurement Strategy will be revised to encompass a more holistic approach to commissioning and procurement and address the issues of partnership working, social clauses, whole life costing, contract management and monitoring. The policies and procedures will be made more robust to ensure that officers consider the wider aspects of the SCS as well as the more fundamental requirements of specifications and contract terms and conditions when embarking on any procurement. These policies and procedures will accord with the requirements of the Capital Process Review of which procurement is an essential element.

Managing and Monitoring the Capital Programme

Capital Process Review

60. Over recent years a number of issues have been experienced during the delivery of several major capital projects. A need for the review of the capital process was identified and in June 2008 the Leading Edge Programme Office was commissioned to develop an enhanced process for the delivery of capital projects within the Council. Following work with officers across the Council and Resources Scrutiny a Project Management handbook has been developed, this provides a consistent project management framework for the Council. Substantial changes have already been implemented in the processes that are used to deliver and a number of schemes are piloting the new framework at various stages. Training in the new processes will be delivered during March 2009 and it is expected that from April 2009 all ongoing and new capital schemes will be included. It is expected that these processes will develop further over time.

Role of the Capital Programme Review Board/Asset Management Group

61. The Capital Programme Review Board/Asset Management Group, chaired by the Director of Corporate Services, will play an important role in the new process, they will be responsible for:

- Meeting regularly to consider the status of the overall Capital Programme;
- Approving the appointment to Project Manager and Project Sponsor roles;
- Reviewing the overarching capital programme database and position statements;
- Assessing capital bids against predefined prioritisation criteria;
- Recommending the prioritised work programme against the available capital funds;
- Requesting further information from Project Sponsors and Project Managers where projects are starting to deviate from plan and are causing concern – this includes requesting exceptional reports and /or recovery plans for the

- project;
- Assessment of the Council's capital programme risks;
- Review the central lessons learned log and action any necessary programme wide improvement actions;
- Preparation of a quarterly project status report (from the project position statement) for onward reporting to Cabinet and Resources Scrutiny reporting in the financial and physical progress of all live capital projects and highlight any major risks to project delivery;
- Authorisation of exception reports which are requesting a change outside of project tolerance levels (supported by any additional Cabinet Request for Release of Capital Funds)

Setting the Capital Programme

62. This Strategy sets out the Council's overall approach to capital planning. The Capital Medium Term Financial Plan (CMTFP) sits alongside the strategy to provide the mechanism for Cabinet to prioritise capital needs and spending proposals over a 3-5 year period and dovetails with the AMP.
63. Medium term capital spending needs are identified by departments from service and operational plans. The multi-year scope of the CMTFP also allows a high level view of capital requirements arising from the Community Strategy and the Council's corporate objectives to be compared with medium term projections of capital resources. The planning cycle sets out the process for prioritising options and proposals. High level assessment includes consideration of whether the need for investment is great enough to justify outsourcing, PFI, joint working or other forms of procurement, and analysis of the available options (including doing nothing). A scoring system for detailed assessment and prioritisation of capital projects has been developed to reflect our capital strategy. This has been further refined to include recognition of the Council's Strategic Priorities areas as included in the Medium Term Corporate Plan 2009-13. Bids arising from services for additional capital funding will be referred to the Capital Programme Review Board/Asset Management Group for assessment in relation to community and corporate priorities, capital needs, and implications for our existing capital as well as revenue resources.
64. In prioritising spending proposals the scoring

mechanism gives due weighting to proposals which trigger or influence financial or other inputs by partners, funding bodies or other agencies in support of corporate and community objectives. Community Safety Partnership provides an example of spending that influences partners. The revenue implications of capital schemes are assessed as part of the scoring/assessment process and in accordance with the Revenue MTFP. Management plans are required for all short-listed schemes, summarising the running costs to be financed through revenue budgets. The costs to be covered include management and staffing, utilities, insurance, telephones, maintenance, cleaning and general running costs. The Capital Programme Review Board/Asset Management Group may require comparisons with similar previous schemes within the authority, and elsewhere in other authorities and the private sector. These Whole Life Costing and Option Appraisal implications have been incorporated into the capital bidding process so the Council can consider not only the initial capital costs but the operational costs for the lifespan of a project. The Council's capital assets are valued at £422M. A key strand of the Capital Strategy is to ensure that these assets are kept in good repair and fit for their purpose. Where this requires capital expenditure, the Capital Programme Review Board/Asset Management Group assesses proposals as a component of the capital programme cycle.

Monitoring of the Capital Programme

65. Monthly monitoring reports for the Capital Programme are submitted to Corporate Management Team (CMT) and quarterly reports are submitted to Cabinet. Resources Scrutiny Committee monitors the progress of capital schemes through quarterly reports and contributes important challenges to the process, being independent of Cabinet and officers. Spending profiles are required for all prioritised schemes. The officer reports progress to departments involved in the project and the Capital Programme Review Board/Asset Management Group. Any deviation from the projected spending profile can then be addressed. Completed projects are monitored and evaluated approximately six months after completion by the project team and the client to check conformity with the original brief and the relevance of the brief to delivery of the desired outcomes.
66. Within the framework of the Asset Management Plan, the use of capital assets are reviewed and monitored, including

operational accommodation, and assess current usage against operational needs identified by services. Assets considered surplus to operational requirements are then dealt in accordance with the procedures document in the Asset Management Plan. A fundamental review of administrative operational accommodation is ongoing at present which in time will see improvements to the current accommodation, the start of a phased implementation of more flexible working and reviewed storage facilities.

Performance Management

67. Performance monitoring of some buildings and assets has led to schemes being placed in the Capital Programme. This is particularly the case when considering the energy efficiency of buildings e.g. school boiler replacement following these works unexpected schools closures in the winter have been dramatically reduced. Performance management data is also used in the Local Transport Plan directing funding to schemes that will reduce accident statistics. Performance management of our assets is reported to stakeholders via Cabinet on an annual basis.
68. The Council's Children's Services Asset Management Team has pioneered the use of LAMPAs - Local Asset Management Planning Agreements - to provide medium-term prioritised programmes for school improvement, agreed between heads/governors and Children's Services Education Service, and incorporating agreed objectives, outcomes and performance measures for the improvement of the school. This mechanism ensures the best use of overall resources available and avoids undertaking work on schemes that are not seen as priorities, simply to utilise specific funding schemes.
69. This ongoing development of our performance management arrangements will include measures for the delivery of capital projects to underpin the appraisal process. The local measures of suitability and sustainability introduced in the Asset Management Plan will, once fully established, be applied specifically to new building projects, as will the local stakeholder/user satisfaction measures, as part of the appraisal process. With regard to property benchmarking, the Council is a

member of the National Best Value Benchmarking Scheme for property and design, the Association of Chief Estates Officers property benchmarking group. The Council is also a member of the IPF Property benchmarking group. The Council is committed to participating in benchmarking groups in order to provide a comprehensive range of comparisons of its capital projects and property performance.

Disposal Strategy

70. Capital receipts from the Sale of Council Land and Property have been a significant source of capital funding. Most of the sales included in the MTFP projection for Capital receipts for 2007/08 and 2008/09 have not materialised due to the recession in the property market and it is hopeful that these will be achieved when the upturn in the market is progressing well.
71. However, the Council now has a diminishing number of sites that can be brought forward for disposal. Many of these remaining sites are high risk and can take a number of years to come to completion.
72. In order to ensure maximum flexibility in the use of this source of funding, these receipts are held corporately. However, it has been custom and practice over a number of years that any retained receipts due from the sale of Right to Buy Houses and other buildings previously used for housing purposes would be ringfenced for use by Housing. Any other applications for ringfencing of a receipt would be subject to a Cabinet report.

Summary

73. The Borough Council aims to manage the capital programme effectively so as to ensure that the people of Darlington achieve maximum benefit from capital investment and the Council's asset holdings. The extent to which progress is made against priorities set out in the Capital Strategy will ultimately depend on affordability. The availability of capital grants, supported borrowing and other sources of finance including the affordability of prudential borrowing will be critical.