

Capital Programme 2013/14 and beyond Appendix 3

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1. Introduction

1.1 A new Capital Board was created in July 2012 consisting of members from across Departments including Head of Capital Strategy (CSD), Assistant Director Operations (ET&E), Assistant Director Property, Head of Procurement, Group Finance Manager (CRD) and chaired by the Director of Children's Services.

1.2 The Capital Board are an independent peer review group providing a strategic lead ensuring that the capital programme is made up of projects that meet the overall strategic aim of the Council which is particularly important as resources become more limited.

1.3 The members of the board bring different skills and expertise to the table in order to challenge the current programme and provide ongoing assurance that the capital programme is on target to meet the Council's objectives, this challenge will take place through gateway level reviews at various key points in each project's lifecycle.

1.4 The Capital Strategy created by the board has been attached to give an understanding of how the capital review links to the Council Plan (see Annex 1).

2. Economic Impact Study

2.1 In June 2012 the County Council commissioned an independent economic impact assessment of the East Sussex County Council Capital Programme 'Programme for Growth' in order to identify and quantify the potential economic benefits for the East Sussex.

2.2 New projects continue to be selected through a rigorous review and prioritisation process, with contribution to economic growth as a key consideration.

2.3 The Economic Impact Study found that the capital programme (agreed in February 2012) has the potential to add an additional £1.65bn of Gross Value Added to the East Sussex Economy as its impacts flow over the next 25 years. This means that for every £1 spent on capital investment there is the potential to generate around £3.40 of additional value within the economy of East Sussex.

The most significant economic impact arising from key projects that unlock private investment in new business space and housing, notably through the Bexhill & Hastings Link Road and Newhaven Port Access Road. Other significant committed projects include the completion of The Keep Archive and Record Office and new corporate IT and security systems.

3. Principles of Capital Programme Review and Proposal of Programme

3.1 The Capital Board decided to adopt a fresh approach with fresh principles to the Capital Planning Process. These are attached as Annex 2 to this report.

3.2 The second stage of the review focused on a bidding process in order to ascertain further requirements for capital investment. Departments were asked to rebid for schemes that were not committed but still considered a priority.

3.3 Overall the ambition of departments was significant resulting in a potential net programme of £416m in total.

4. Resources

4.1 The programme approved in February 2012 by Council was for £491.1m, this was supported by specific funding of £206.0m, non specific funding of £256.1 and £29.0m anticipated from future grant income, a total non specific capital requirement of £285.1m.

4.2 The outcome of the Capital Board review has identified £179.4m expenditure as committed (detailed in annex 3), this is net of scheme specific resource. This revised figure includes the removal of projects that have been identified as revenue and will therefore no longer be reported as part of the capital programme. These revenue projects will now be funded through revenue release which had previously been identified to fund capital projects, in total these projects amount to £10.7m.

4.3 Cabinet are being asked to approve a further £19m release from the waste reserve this year which is following a review of the County Council's reserve policy. This additional resource now incorporated in the proposed programme will support additional Highways work given the scope of required investment in this area of priority and in order to ensure that revenue cuts can be met.

4.4 Annex 4 provides an analysis of the remaining available resources (after 2011/12 use) of £276.4m. These resource streams are as follows:

- Corporate revenue budgets: £20.6m (comprising of the remaining revenue budgets identified through last year's process)
- Reserves: £78.1m (Capital programme reserve remaining and the waste reserve release*).
- Non-specific grants: £58.4m (this reflects the current grants received in balance sheet and those confirmed up to 2013/14).
- Capital receipts: £19.3m (this is a revised figure for the anticipated sale of surplus property following capital board review **).
- Agreed debt/borrowing: £100m (this reflects previously approved levels agreed through treasury management strategy. Council will need to agree it's appetite for further borrowing in line with the prudential code.

* This will be further reduced for the revenue requirement of £10.7m for revenue projects

** This includes an additional £9.3m of capital receipts following review by Capital Board.

5. Decisions made by Capital Board

5.1 The initial proposed programme was extremely ambitious totalling a net £416.0m compared to the available resources of £276.4m, (a funding gap of £139.6m). The capital strategy and associated prioritisation process has informed the decisions made by Capital Board creating a proposed programme that aims to deliver the objectives set out by the wider Council in the context of it's promise whilst maintaining a balanced programme overall.

The strategy and prioritisation's main aim is to meet as many of the Council's ambitions as possible. These include priorities such as economic development and regeneration, whilst also having regard to the implications for those with protected characteristics under the equalities legislation. Therefore the proposed programme is considered to be the best combination of projects and schemes achievable given the funding envelope available to the Council.

5.2 The bidding review focussed on:

- Support for continuing programme bids from 2013/14 until 2014/15 (see paragraph 5.3 below).
- A contingency challenge on all new bids by top slicing 10% in order to improve efficiency working.
- Support for any schemes starting post 2014-15 was not provided.
- Challenge on the necessity and scale of bids recommending that:
 - Libraries investment be reduced by 50% (by £1.9m)
 - Basic Need reduced by 1FE permanent scheme (by £5.0m)

5.3 Although these decisions appear to weigh heavily on early years of the 5 year programme the decision to only approve continuing programme bids for the first two years was done so with the aim of delivering a balanced programme within the funding available. It is anticipated that before the end of this two year period a further review will take place allowing Departments to bid for funding for future years should the scheme still be a priority. The additional £19m waste release has also allowed priority Highway work and associated revenue savings to be achieved.

6 Proposed Programme/Available Net Resources

6.1 The outcome of the review described has resulted in a revised net programme of £277.3m, £417.4m gross (see annex 5). Before consideration by the Capital Board the gap in funding was £139.6m. The actions taken have reduced this to £0.9m (excluding the £10.7m revenue projects). Therefore the Council will need to borrow in addition to current agreed levels a further £11.6m. It should be recognised that there is a revenue cost to any additional borrowing.

6.2 The Capital Board recommendation is that bids for self contained projects are approved as detailed in Annex 5 [section B], with the caveat that given that their estimated costs and savings still need refining, all are required to go through the gateway level approval process with Capital Board before the bulk of funding is released at full business case stage. The additional borrowing requirement will be addressed if necessary when the figures become firmer in line with the prudential code and in line with Treasury Management policy and reported to CMT.

7 Changes since Consultation

7.1 Following the Local Government Settlement announcement on 19th December additional ring-fenced capital grant has been provisionally allocated from Department of Transport to improve the highway network and from the Department of Health for Adults Personal Social Services. These are included in the proposed programme.

	2013-14	2014-15
Department of Transport	£1.5m	£0.8m
Department of Health	£1.4m	£1.4m
Total	£2.9m	£2.2m

7.2 In addition we have received notification of the Local Transport Settlement for 2013-14, giving East Sussex a further non ring-fenced allocation of £11.7m (included in the non-specific grant figure noted in 4.4). This and any subsequent receipt/final confirmation of non ring-fenced grants is and will be used to reduce the current funding gap.

7.3 As previously outlined in paragraphs 4.3 and 5.3 an additional £19m is being released from the waste reserve for additional highways work, subject to Cabinet approval. This is already included in the proposed programme.

7.4 The Authority is in a position to provide support for schemes such as the Local Authority Mortgage Scheme; a scheme designed to enable first time buyers, who are unable to save a sufficient deposit but can afford a mortgage. A report is being prepared for consideration by Cabinet.

7.5 It may be necessary for the Council as a partner in key economic development programmes, to underwrite aspects of projects in order to enable funding to be released from elsewhere. Examples of where this may be necessary include Sovereign Harbour and Hasting Pier. It is proposed that such instances will be subject to a formal risk assessment by the Chief Financial Officer and the Capital board to ensure that the business case is robust and be managed through the existing programme in line with normal delegations.

8. Prudential indicators

8.1 The prudential indicators for the period 2012/13 to 2015/16 are set out in Annex 6. These are required under the "Prudential Code for Capital Finance in Local Authorities" and Part 1 of the Local Government Act 2003. They bring together the capital programme and the impact of capital financing decisions.

Capital Strategy

Annex 1

1.0 Background

1.1 Why capital investment is crucial for a secure future

The purpose of the strategy is to set out how East Sussex County Council (ESCC) will manage, finance and allocate investment in its assets (their purchase and enhancement) efficiently to achieve the Council's vision.

The strategy's objectives are to:

- Prioritise and coordinate funding to maximise the opportunity for investment
- Invest in the most beneficial projects that support the long term vision of the Council and the prosperity of East Sussex
- Manage the process of investment efficiently and effectively

Spending on capital supports service delivery and economic growth. Initial capital spending is also part of the way local authorities achieve efficiency savings as it can allow longer term savings.

In its paper 'Funding and planning for Infrastructure' (2010), the LGA analysed the benefits of capital spending and concluded that capital spending creates substantial local economic benefits. The main conclusions of the report were:

- Every £1 spent on construction leads to an increase in UK GDP of £2.84;
- Every £1 spent generates a 56 pence return to the exchequer through tax revenue and benefit savings; and
- Each £1 million allocated to road maintenance creates or safeguards ten to fifteen jobs and adds £500,000 to the local supply chain.

2.0 Financial management

2.1 Delivering the promise

The capital strategy delivers the objectives set out by the wider council in the context of its promise, that it will, in partnership, make the best use of resources to:

- help make East Sussex prosperous and safe
- support the most vulnerable people

- improve and develop roads and infrastructure
- encourage personal and community responsibility
- deliver the lowest possible council tax
- be a voice for East Sussex, listening and answering to local people

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- Affordability, e.g. implications for Council Tax;
- Prudence and sustainability, e.g. implications for external borrowing, the whole life cost of projects;
- Value for money, e.g. option appraisal;
- Stewardship of assets, e.g. asset management planning;
- Service objectives, e.g. strategic planning for the authority;
- Practicality, e.g. achievability of the forward plan.

Treasury management and the review of key prudential indicators are considered in assessing the affordability of the council's capital plans.

In addition, to ensure the effective management of changes in Government policy and support of local investment, the strategy will ensure that East Sussex is able to demonstrate how its investments will help to secure its economic development, efficiencies and service delivery.

2.2 Linking capital and Revenue

Capital investment is considered along side revenue as part of the Council's RPP&R process. Over the whole life of a capital project there may be a wide range of costs and cost saving implications. The whole life cost of each capital investment project will be considered from the earliest stage.

3.0 Investment themes, priorities and considerations

3.1 Invest to save

The Council's efficiency agenda means that priority within the strategy is given to those schemes that achieve reduced on-going maintenance and revenue costs whilst enabling the provision of quality public services and agile working.

Investment in such projects will enable efficiency savings and service improvements by doing things not just better but differently.

3.2 Statutory and legal obligations

Priority must be given where there is a real and significant statutory and/or legal risk if the project is not carried out.

3.3 Economic Development and regeneration

With the introduction of localised business rates the Council must seek to maximise its investment where there is a proven benefit to the local economy and helping to secure the County's future financial security. The LGA analysed the benefits of capital spending in its report: 'Funding and planning for Infrastructure' (2010). The Government also references GVA (Gross Value Added) a mechanism for measuring a projects impact on the local economy, in many of its new initiatives. In order to ensure the Council supports well targeted initiatives, bids for capital support will be assessed against a GVA scoring mechanism.

3.4 Efficiency and transformation

As customer needs and expectations change, so public buildings, offices and communication technologies must evolve and adapt. This capital strategy is designed to support well targeted investment in new technology and modern council owned buildings so they are fit for purpose and enable us to efficiently and effectively meet our customers' needs.

ICT requires capital investment to deliver the information, communication and technology needed to achieve our priorities for service improvements. Investment will help facilitate smarter and more agile ways of working. Looking to work with partners to ensure the maximisation of value for money where possible.

The strategy will ensure that capital investment is focussed on priorities that will transform our services, such as Information Systems redesign, systems rationalisation, service redesign, agile working and the Public Service Network.

3.5 Asset and Risk Management (buildings related)

Using the land and property portfolio effectively will help deliver the council's goals, deliver core services and accommodate the office and administration functions which support the delivery of those services.

When assets become surplus property and are no longer required for the day to day provision of service, effective and efficient management of their re-use within the Council, relevant interest by the Community or a disposal will help facilitate the capital programme's aims and minimise any on going maintenance and revenue implications.

The capital strategy is therefore intrinsically linked to the Corporate Property Asset Management Plan (CPAMP) as together they will ensure the right balance of sustainable investment, management and reuse of assets to achieve goals.

3.6 Other Service priorities

Individual services will have investment ambitions that do not link with any of the previously mentioned investment themes and priorities for the Council. Identifying these other service priorities ensures that the total investment requirement of services is captured.

3.7 Equalities Impact Assessment

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, gender (including gender reassignment) and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

Prior to making a decision as to which bids should be prioritised in the Capital Programme for five years, Members should have due regard to the Equality Duty contained in Section 149 of the EA.

Having "due regard" does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Members' understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations, as well as the prioritisation

criteria agreed by Cabinet. Members must consider the equalities impacts, and in particular the negative impacts that not including a particular project or bid in the Capital Programme will have for those with protected characteristics. Specifically, Cabinet needs to take account of these matters in deciding upon the relative priority to be given to different projects and bids, as well as the total level of expenditure that should be allocated to the Capital Programme.

The EA does not require an equality impact assessment (EqIA) to be carried out; however the recent cases considering the public sector equality duty have held that an EqIA is the best way to demonstrate that the equalities impacts have been identified and considered. Where a project which is being considered for the Capital Programme is likely to have impacts upon equalities, officers need to have considered the consequences for those with protected characteristics of that particular project or bid not being included in the Programme, and have summarised these impacts for members to consider. Where EqIAs have been conducted these must be made available as background documents.

The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.

5.0 Delivering the Capital Strategy

5.1 Maximising funding

The funding envelope that is available to the Council is likely to be insufficient to meet all of the ambitions of the Council and its services for the foreseeable future. Therefore in order to meet as many of these ambitions as possible the strategy will aim to maximise capital funding by;

- Treasury management policy – aspiring to provide additional resource through investments and borrowing and through the development of the process.
- Effective management of capital receipts
- Working with external partners to maximise investment opportunities
- A watching brief on changes / alteration to government funding and initiatives e.g. Earn back models, PWLB preferential rates.
- Being actively involved in the SELEP new financial instruments work stream – looking at alternative mechanisms for raising debt (reducing over reliance on any one mechanism).
- Accessing and managing Government grants effectively.
- Using revenue resources to support capital where effective

All of this will be achieved within the governance of CIPFA's 'Prudential Code of Capital Finance in Local Authorities'.

5.2 Alternative Sources of investment / new initiatives

The council will seek to influence and use a range of mechanisms to finance local capital investment. These will include:

- CIL/Section 106
- Government Funding
- TiF
- Earn back models / Equity stake models
- Strategic Asset management
- PWLB preferential rates / discounted rates
- Bridge funding
- EU funding
- Other new initiatives

It will also enable use of assets for the community where this furthers the vision of the council and service delivery.

5.3 Coordinating and prioritising a rolling programme of investment

Through the strategy we will ensure the Council's own funds and those from external sources will be focused on its priorities. The process of prioritisation will ensure focus on the council's priorities by aligning with the CPAMP (Corporate Property Asset Management Plan), service priorities, ICT Strategy etc.

Facilitating the selection of projects that maximise the investment themes (outlined above in Section 3.0) will assist in the delivery of the Council's promise. Regular review will take place of the delivery of the programme and progress will be reflected in an annual review.

5.4 Managing the programme

The strategy facilitates a joined up approach in terms of planning, delivery, management, skills and governance of our capital projects across the Council. This will result in more successful outcomes and outputs, eradicate costly delivery failures and increase the confidence of our citizens, leaders and staff.

This will be done by:

- Setting a 5 year rolling programme to provide certainty for projects and the benefits they offer;
- Ensure investment is coordinated across the programme;
- Aspiring to underpin programme planning with robust controls that will include a comprehensive initiation process including, readiness for deliverability, gateway reviews against key milestones, financial and benefits realisation reporting, excellence in project and programme management.

- Contingency measures will allow for unforeseen circumstances in between major strategy and programme reviews.

As part of the governance of the Council's capital investment, the aspiration of the strategy is that:

- All projects and programmes will be subject to a comprehensive but proportionate appraisal to allow prioritisation against available resource using a standard bid template.
- The appraisal system will be universally applied, rigorous, transparent and focus on a clear measurement of priority
- Full funding will not be released until the project has been approved (other than preliminary expenditure on feasibilities necessary for preparation of a business case) to ensure optimal management of the project. *
- The appraisal and assurance function will be separate from the project management function and conducted by the Capital Board. It will follow the principles of risk management, escalation and of regular reporting.
- The project assurance function will follow a Gateway process, in line with Government 5 Cases Model and related HM Treasury Green Book, these principles will enable the council to make sound investment decisions based on scrutiny and evaluation of projects and programmes.
- Projects can be recommended to COMT for decommissioning or redesigning as necessary by the Capital Strategy Board to effectively achieve the Council's goals whilst ensuring the best use of resources.

Achieving high quality and focussed results from ESCC capital investments is the most important aspect of this strategy. The successful implementation and realisation of the benefits of many of these projects are key to the continued provision of quality services to the community of East Sussex in austere times. Benefits realisation will be part of an emphasis on continuous improvement and embedded in the Gateway assurance process.

* The final investment decision (release of funding) will be taken only once a final business case (FBC)/PID has been approved through the relevant gateway. Outline business cases may be required for certain projects, particularly those where upfront expenditure on feasibilities is required, this will be assessed by the Capital Board. Approval will be based on:

1. the investment necessary to deliver corporate priorities.
2. full options appraisal of the costs and benefits over the whole life of the project / programme have been completed
3. the most appropriate funding source(s) have been identified and secured to cover the gross project cost
4. required consultation undertaken and all necessary permissions are in place.
5. design work is complete and it is ready for tender.
6. other funding streams are in place and confirmed
7. compliance with all buildings regulations are in place including current environmental and energy efficiency standards

8. The project has undergone an Equalities Impact Assessment.

5.5 The Capital Board

Governance should not be unnecessarily bureaucratic, but must put the right controls in place to manage a multi-million pound programme. The Capital Board will provide the necessary assurances around capital investment planning and monitoring of project progress.

5.6 Financial Monitoring

This will be undertaken quarterly, for projects where funding has been formally released. Financial reviews at the final business case/PID stage will ensure appropriate and accurate budgeting. A separate contingency pot will be managed via the Board to facilitate the proper management of unforeseen and necessary changes to projects.

6.0 Glossary of Terms

Capital Expenditure

Expenditure that results in the acquisition, construction or enhancement of fixed assets (both tangible and intangible). It must be directly attributable to bringing the asset to the location and condition necessary for it to be operating in the manner intended.

Asset

An item held for use in the production or supply of goods and services or for rental to others or administrative purposes and is expected to be used for more than one period.

Tangible Assets

Assets that have a physical substance e.g. Land, Buildings, Vehicles and Equipment

Property, Plant & Equipment (PPE) (IAS 16)

Classes include: infrastructure assets, land, buildings, machinery, office equipment, assets under construction, vehicles.

Heritage Assets (FRS 30)

These are assets preserved in trust for future generations due to their cultural, environmental or historical associations. Classes include historical buildings, civic regalia, museum & gallery works of art. Note assets used by the authority in the normal course of business are treated under IAS 16 as PPE.

Investment Property (IAS 40)

Property held solely to earn rentals or for capital appreciation. Includes investment property under construction. If an asset is owner occupied it is treated under IAS 16 as PPE.

Assets held for sale (IFRS 5)

The asset must be available for immediate sale in its present condition and the sale must be highly probable. The sale should be expected to be completed within 1 year of classification.

Intangible Assets (IAS 38)

Identifiable assets but without physical substance and are controlled by the Council where future economic or service benefits are expected to flow from the asset to the authority. The cost of the asset must be measurable. E.g. software licences, network systems, broadband. (IAS 38)

Enhancement of an Asset

Work that either substantially lengthens the life of the asset, substantially increases the open market value of the asset or substantially increases the extent that the asset can be used.

The enhancement must upgrade the previous assessed level of performance of the asset (as per "Practitioners' Guide to Capital Finance in Local Government" page 16).

Grants & Contributions

Capital resource funding from government, E.U. or private sector grants.

Capital Receipts

Receipts from the disposal of assets, repayments of loans or grants previously given by the authority towards capital expenditure incurred by others.

Revenue support

Direct funding of capital expenditure from the revenue budget or revenue reserves.

Minimum Revenue Provision

Setting aside a minimum amount of revenue to contribute towards capital expenditure financed by borrowing or credit arrangements. The aim being that the repayment of debt is dealt with over a period that reasonably reflects when the capital expenditure benefits are occurring.

Community Infrastructure Levy (CIL)

Tariff approach to funding which enables Local Authority's to raise funds from developers undertaking new building projects. Money raised must be used to fund infrastructure.

Tax Increment Finance

Councils borrow against predicted growth in their local business rate income and use that to fund key infrastructure and capital projects.

Capital Board

Is responsible for providing the necessary assurances regarding the ESCC capital programme to ensure the proper planning of capital investment and financial and resource management. This board will be chaired by a member of COMT and include Finance and Operational members.

Corporate Gateway Review

The Gateway Process examines programmes and projects at key decision points in their lifecycle. It looks ahead to provide assurance that they can progress successfully to the next stage.

Gross Value Added (GVA)

A measurement in £ of the Economic Impact of a project for ESCC.

Approved Variation

Process for approving re-profiling across years or other changes with a net nil financial cost to the programme.

Principles of Capital Programme Review and Proposal of Programme

The Capital Board decided to adopt a fresh approach with fresh principles to the Capital Planning Process. These were:

- Give highest priority to those projects linked to the Council's Promise and Priority Outcomes, in particular:-
 - Driving economic growth and regeneration in the local economy, including developing and using local skills.
 - Keeping vulnerable people safe from harm.
 - Building resilience for individuals and families through early help.
 - Making best use of resources through being a single unified organisation, commissioning services developed in partnership with a focus on the customer and community.
- A dynamic approach to managing approval and monitoring of agreed programmes, to allow early identification of slippage, encourage realistic profiling, costing and planning of projects through robust challenges at each stage of the process. This will allow swift re-allocation or rephasing of resources against the programme priorities in 'real time' to ensure efficient use of resources. It will also involve proactive management, challenge, and accountability for projects in the programme, post the point of approval/commitment of resources within the programme.
- Focus for the next 2 years on projects which were committed contractually and approved by Members, supplemented by rolling approval process for future years, allowing much more, flexibility.
- Requesting departments remove bids that were not currently committed, or revise these bids if still a priority.
- Reduce slippage in current financial year by bringing forward projects from the continuing programme committed for future years, where these are demonstrating deliverable within this financial year.
- Ensure correct classification and accounting for projects in the Capital Programme.

	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMITTED PROGRAMME									
Adult Social Care									
Age Well - East Sussex		200	101						301
LD Extra Care Project		200							200
ASC IT Infrastructure <i>Grant Funding Spend in 2009-10</i>		(51)							(51)
ASC PPF IT Infrastructure <i>External Contributions</i>		284 (284)							284 (284)
Older Peoples' Day Opportunities <i>CERA Contributions</i>		20 (20)	231						251 (20)
Gilda Crescent, Polegate		302	302						604
Westfield Lane, Hastings		328	328						656
Ninfield Road, Bexhill - LD or MH Supported Accommodation		205	205						410
Old London Road , Hastings <i>Grant - Social Care Mental Health</i>		50 (50)							50 (50)
St Anthony's Court <i>Grant</i> <i>Grant</i>		337 (214) (123)	336 (213) (123)						673 (427) (246)
Greenwood, Bexhill-on-Sea		30	140						170
Extension to Warwick House <i>External Contributions</i>		3,120	2,753 (820)						5,873 (820)
ASC Economic Regeneration		66	65						131
Replacement of Carefirst		300	3,700						4,000
Sandbanks		5							5
LD Service Opportunities		300	1,985						2,285
Battle Road, Hailsham		500	500						1,000
House Adaptations for People with Disabilities <i>External Contributions</i>		278 (1)	550						828 (1)
Refurbishment - Registration Standards		350	41						391
Governance & Community Services									
New Archive and Record Office - "The Keep" - Phase 1 & 2 <i>Other Contributions</i>		8,118 (2,680)	2,469 (1,656)						10,587 (4,336)
Rye Library		31							31
Hastings Library		1,996	4,438						6,434
Newhaven Library <i>CERA Contributions</i>		100 (183)	1,058						1,158 (183)
Shared Storage Unit		345							345
Library Refurbishment		160							160
Property Agile Works <i>Savings (CERA Contributions)</i>		316							316
Children's Services									
Bexhill High BSF <i>Government Grant</i>		340 (209)	150						490 (209)
Children Centres and Extended Schools Programme Phase 3									
Ticehurst School		1							1
Beacon CC		10							10
Chailey School		2							2
Rotherfield Village		6							6
Priory School - Performing Arts Building		(1)							(1)
Cradle Hill, Seaford		14							14
The Haven		3							3
Rye College		1							1
Motcombe School		1							1
Sandowne School		1							1
Polegate PS - Electrical works		1							1
Sidley Community Centre		1							1
Internally Managed Schemes									
Mercread Centre		95							95
Kitchen Ventilation		48							48

Annex 3

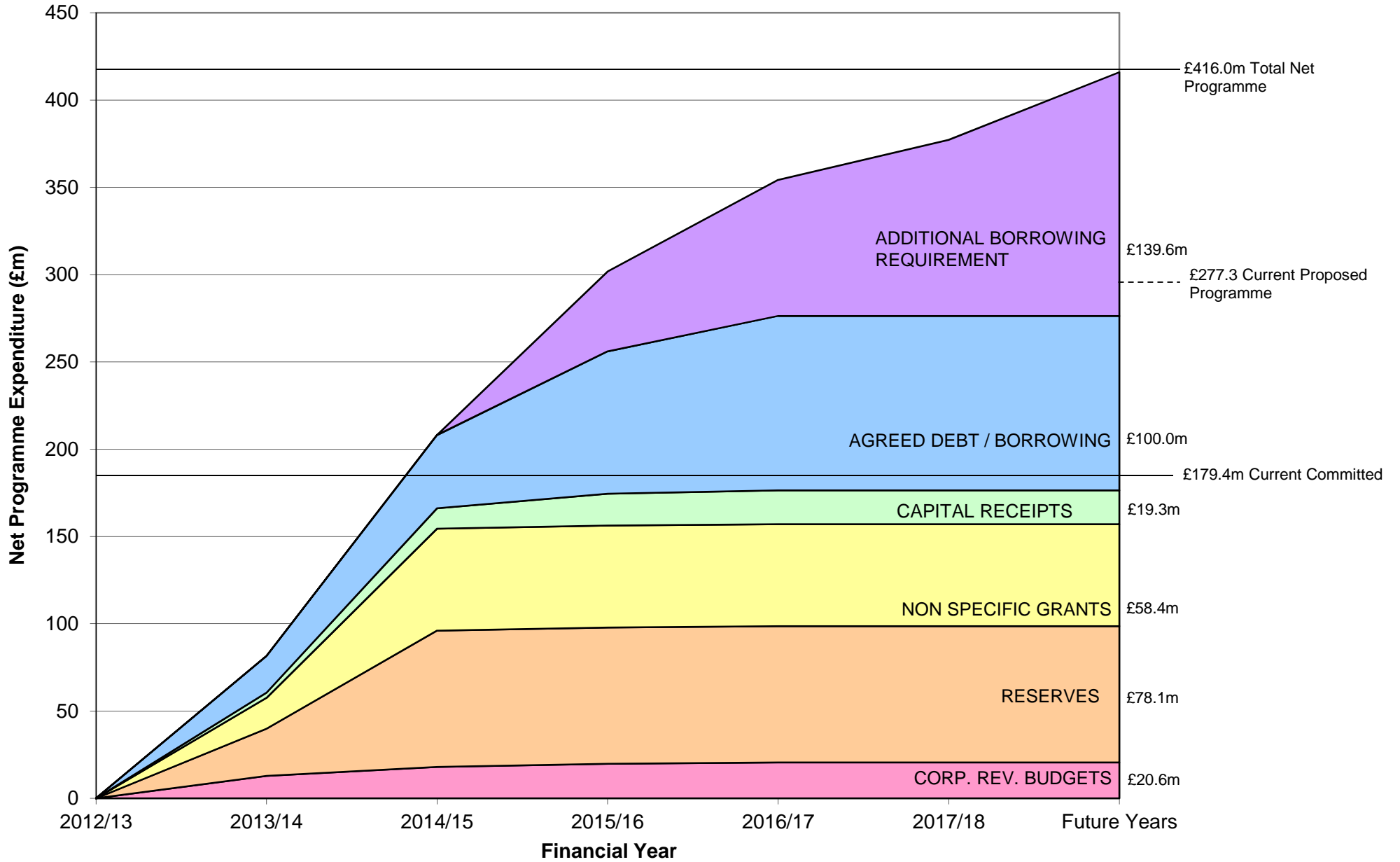
	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Barcombe CE School - Kitchen/dining room		39							39
Primary Capital Programme		221							221
Cradle Hill		37							37
Hurst Green		4							4
Frant		1							1
King Offa - Internal Adaptations		83							83
<i>Development Contributions</i>		(244)							(244)
<i>Modernisation Grant / TCF</i>		(290)							(290)
Academies Project		407							407
Academies Programme - Fees		(77)							(77)
Hillcrest School - Academy		11,432							11,432
<i>PFS Grant</i>		(10,239)							(10,239)
<i>TCF Contributions</i>		(856)							(856)
Filsham Valley - Academy		10,868	4,225						15,093
The Grove Interim Accommodation		171							171
<i>PFS Grant</i>		(4,198)							(4,198)
<i>TCF Contributions</i>		(1,372)							(1,372)
<i>Additional Academies</i>		(4,000)							(4,000)
Eastbourne Technical College - Academy		5,437	6,097						11,534
<i>PFS Grant</i>		(5,505)	(4,634)						(10,139)
<i>TCF Contributions</i>			(627)						(627)
<i>Grant</i>									
Academies Project - Contingency			273						273
<i>TCF contribution</i>			(344)						(344)
Specialist Schools									
Claverham		27							27
<i>Development Contributions</i>		(27)							(27)
Landsdowne Secure Unit		5,625	1,989						7,614
<i>Grant</i>		(5,625)	(1,989)						(7,614)
Access to Short Break Strategy for Disabled Children									
Sorrel Drive		37							37
ASDC - Unallocated		49							49
<i>Grant</i>		(49)							(49)
ASDC 2012/13		161	150						311
<i>Grant</i>		(161)	(150)						(311)
Virtual College East - Tile Barn Road, Hastings		19							19
Virtual College West - Hampden Park		951	20						971
Blacklands		39							39
Video Conferencing		111	131						242
<i>TCF Contribution</i>		(1,119)	(151)						(1,270)
Diploma Exemplar Programme									
Strand 1 - LCL Centre at Beacon CC		10							10
Strand 2 - Outreach creative learning centres		95							95
Strand 3 - Sussex Downs		48							48
Strand 4 - ICT Development		203							203
Strand 5 - Project Management		10							10
<i>Grant</i>		(433)							(433)
Eastbourne Primary Places		2,993	368						3,361
<i>Basic Need Income (10/11)</i>		(946)							(946)
<i>Development Contributions</i>		(151)							(151)
Wallands									
East Hoathly CE Primary School (Playing Field)		34							34
<i>Modernisation Grant (10/11 allocation)</i>		(34)							(34)
Demolition of Bexhill High School		10							10
Eastbourne Primary Places Phase 2			2,857						2,857
<i>Basic Need Income (10/11)</i>			(2,550)						(2,550)
St Mary Magdalen		600	2,260	140					3,000
<i>Basic Need Income (10/11)</i>		(600)	(2,260)	(140)					(3,000)
West Rise									
<i>Basic Need Income (10/11)</i>									
Hampden Park & Highfield Amalgamation		866	25						891
<i>Basic Need Income (10/11)</i>		(930)	(25)						(955)
<i>CERA Contributions</i>		(16)							(16)
Bexhill Primary Places		984	25						1,009
Sidley PS - Relocation									
<i>PCP Years 1 & 2</i>		(40)							(40)
<i>Development Contributions</i>		(235)							(235)
<i>Basic Need Income (10/11)</i>		(709)	(25)						(734)
Area Review		210							210
Robertsbridge		80	227						307
<i>11/12 CERA Contribution</i>		(80)	(227)						(307)
King Offa - New Nursery		73							73
<i>11/12 CERA Contribution</i>		(73)							(73)
Lewes Children's Centre		141							141
Grove Park - Sensory Lighting		9							9
<i>11/12 CERA Contribution</i>		(150)							(150)
Crowhurst Primary		35							35

	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>11/12 CERA Contribution</i>		(35)							(35)
Hastings Primary places		180							180
<i>Basic Need Income (10/11)</i>		(180)							(180)
Mobile Replacement Programme			2,550	2,000					4,550
Hankham			1,300						1,300
All Saint's		350	300						650
Chantry		30	470						500
Sports Facilities Programme			400						400
Uckfield		50							50
Robertsbridge		500							500
<i>11/12 CERA Contribution</i>		(200)							(200)
Uplands		50							50
Etchingham		128	5,272						5,400
Sponsored Academies EIG		250	250						500
Children and Families Property Review									
Children's Centres		70							70
Youth Centres		120							120
Residential Properties		60							60
Schools Access Initiative		622	264						886
Temporary Accommodation		1,086							1,086
House Adaptations for disabled children's carers homes		230	295						525
Minor Works		173							173
<i>CERA Contribution</i>		(64)							(64)
Schools Delegated Capital		1,328							1,328
<i>Grant</i>		(1,328)							(1,328)
Corporate Resource									
SAP System Development		52							52
Eastbourne Hub Project		6							6
Disabled Access to Public Buildings (BVPI) Improvements		1							1
Information Security - Data in Transit		9							9
Hub Office Developments		7							7
Security Upgrade - County Hall		240							240
<i>Savings (CERA Contributions)</i>		(73)	(73)	(64)					(210)
Regulatory Reform (Fire Safety) Order 2005		102	100	100					302
Sustainable Schools Smart Metering		9							9
<i>Grant</i>		(9)							(9)
Carbon Reduction Schemes		300							300
CBOSS Tender		499	828						1,327
The Link		1,284	400						1,684
<i>External Contributions</i>		(91)							(91)
Investment Gaps ICT		1,600	3,400	5,000					10,000
Building Maintenance Capitalisation		250	250	250	250				1,000
Building Maintenance and Backlog Reduction		3,035							3,035
<i>Remaining 11/12 CERA Contributions</i>		(496)							(496)
<i>12/13 CERA Contributions</i>		(295)							(295)
DDA Improvements		272							272
SALIX Contract		270	247	270	298	307			1,392
<i>Grant</i>		(270)	(247)	(270)	(298)	(307)			(1,392)
Sustainable Building Design		320							320
Transport and Environment									
Bexhill & Hastings Link Road - Pre Approval		6,033							6,033
Eastern Area Highways Depot/Rationalisation of Highway Depots		50							50
HWRs Improvements		20							20
<i>External Contributions</i>		(20)							(20)
Newhaven Household Waste Recycling Site		21	3						24
<i>Waste Infrastructure Capital Grant</i>		(21)	(3)						(24)
Travellers Site Bridies Tan		35							35
Travellers Site Swan Barn		22							22
<i>GOSE Grant</i>		(1)							(1)

	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Traveller Site Refurbishment and Additional Pitches <i>DCLG Grant</i>		8 (8)							8 (8)
Broadband <i>External Contributions</i>		188	7,504 (3,118)	17,820 (7,482)					25,512 (10,600)
Bexhill & Hastings Link Road - Post Approval <i>External Contributions</i>		8,030 (10,058)	40,196 (28,749)	24,039 (17,193)	5,912				78,177 (56,000)
BHLR Complimentary Measures			800	1,000					1,800
Renewable Energy East Sussex Phase 1		50	950						1,000
Inward Investment Capital Grant Fund			700						700
EDS Upgrading Empty Commercial Property			500						500
EDS Incubation Units				750	750				1,500
RGF - Sovereign Harbour, Eastbourne			1,066						1,066
Economic Intervention Fund		650	2,350	1,500	1,500				6,000
Newhaven Port Access Road		50	13,169						13,219
Highways Capital Improvements Programme									
Street Lighting Invest to Save		700	200						900
Highway Maintenance Capitalisation			1,250	1,250	1,250				3,750
Integrated Transport - LTP plus Externally Funded <i>Developer and Other External Contributions</i> <i>Other Grants</i>		2,362 (429)	1,289 (575)						3,651 (1,004)
Bridge Assessment Strengthening		1,058							1,058
LTP Structural Maintenance		13,838							13,838
Speed Management <i>External Contributions</i>		181 (32)	447						628 (32)
Rights of Way Surface Repairs and Bridge Replacement Programme		404							404
Street Lighting - Life Expired Equipment		867							867
LSTF - ES Coastal Towns <i>Grant</i>		90 (90)	420 (420)	878 (878)					1,388 (1,388)
LSTF - Travel Choices Lewes <i>Grant</i>		91 (91)	427 (427)	474 (474)					992 (992)
Pebsham S106 <i>External Contributions</i>		83 (83)							83 (83)
Committed Gross Expenditure		108,821	125,596	55,471	9,960	307	0	0	300,155
Committed Income		(55,771)	(49,406)	(26,501)	(298)	(307)	0	0	(132,283)
Committed Net		53,050	76,190	28,970	9,662	0	0	0	167,872
<u>Adult Social Care</u>									
Refurbishment Registration Standards		193							193
<u>Governance & Community Services</u>									
Library Refurbishment		245							245
<u>Children's Services</u>									
Schools Access Initiative (Pebsham)		95							95
Temporary Accommodation (Herne)		150							150
Temporary Accommodation (Manor Primary)		350							350
Carers Facilities (LAC Caravan)		30							30
Schools Reorganisation (EIG Ofsted)		250							250
Family Contact (Childrens Centres & FLESS)		100							100
<u>Corporate Resource</u>									
Building Maintenance Backlog Reduction		80							80
Schools Backlog		2,778							2,778
<u>Transport and Environment</u>									
Highways Structural Maintenance		7,000							7,000
Colonade Gardens Tunnel Infilling		50							50
Millward Lane Bridge Refurbishment		70							70

	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Eastern Depot Development		130							130
Accelerated Spend Gross Expenditure		11,521	0	0	0	0	0	0	11,521
Accelerated Spend Income		0	0	0	0	0	0	0	0
Accelerated Spend Net		11,521	0	0	0	0	0	0	11,521
COMMITTED PROGRAMME & APPROVED ACCELERATED SPEND									
Committed Gross Expenditure		120,342	125,596	55,471	9,960	307	0	0	311,676
Committed Income		(55,771)	(49,406)	(26,501)	(298)	(307)	0	0	(132,283)
Committed Net		64,571	76,190	28,970	9,662	0	0	0	179,393

Capital Resourcing



	Dept.	Current 2012-13	2013/14	2014/15	2015/16	2016/17	2017/18	Future Years	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMITTED PROGRAMME & APPROVED ACCELERATED SPEND									
(SEE APPENDIX 2 FOR DETAILS)									
Committed Gross Expenditure		120,342	125,596	55,471	9,960	307	0	0	311,676
Committed Income		(55,771)	(49,406)	(26,501)	(298)	(307)	0	0	(132,283)
Committed Net		64,571	76,190	28,970	9,662	0	0	0	179,393
CONTINUING PROGRAMME BIDS PROPOSED - SECTION A									
Highway Structural Maintenance <i>DoT Highways Network Grant</i>	ETE		8,300 (1,500)	8,700 (800)					17,000 (2,300)
Highway Capital Improvements	ETE		4500	4500					9,000
Highway Mainitenance Improvements	ETE		2000	2000	2000				6,000
Building Maintenance and Backlog Reduction	CRD		2,250	2,250					4,500
Local Transport Improvements <i>Developer and Other External Contributions</i>	ETE		1,991 (1,102)	2,322 (1,580)					4,313 (2,682)
Schools Access Initiative	CSD		625	635					1,260
DDA Improvements	CRD		225	224					449
Refurbishment of Facilities to meet Care Quality Commission Standards - Continuing Programme	ASC		149	148					297
Temporary Accommodation	CSD		1,800	2,160					3,960
Street Lighting Column Replacement	ETE		810	842					1,652
Rights of Way and Countryside Site Bridge Replacement and Surface Repair	ETE		325	335					660
House Adaptations	ASC		270	270					540
Library Refurbishment	GCS		389	90					479
Carbon Reduction Schemes (formerly Sustainable Building Design and Carbon Reduction Schemes)	CRD		585	585					1,170
Capital Bridges Budget (LTP)	ETE		1,080	1,103					2,183
Basic Need (including Southdowns & Greys)	CSD		6,860	9,830					16,690
New Bids Continuing Programme Gross Expenditure		0	32,159	35,994	2,000	0	0	0	70,153
New Bids Continuing Programme Income		0	(2,602)	(2,380)	0	0	0	0	(4,982)
New Bids Continuing Programme Net		0	29,557	33,614	2,000	0	0	0	65,171
SELF CONTAINED PROJECTS PROPOSED - SECTION B									
Renewable Energy - Phase 2	ETE				7,195				7,195
Eastbourne and Hastings Light Reduction	ETE		2,000	1,724					3,724
Hastings Library and Registration Service Partnership	GCS		217	897	256				1,370
The Maltings	GCS		1,200						1,200
School Reorganisation EIG Ofsted	CSD		90	225					315
Carer Facilities Grant	CSD		180	180					360
Community Assets	CRD		225	225					450
Extra Care Housing – Bexhill on Sea <i>DoH Adults Personal Social Services Grant</i>	ASC		405 (405)	405 (405)					810 (810)
Family Contact	CSD		288	162					450
Pine Grove Public Sector Hub <i>DoH Adults Personal Social Services Grant</i>	CRD		1,710 (790)	790 (790)					2,500 (1,580)
Ninfield Road Supported Accommodation <i>DoH Adults Personal Social Services Grant</i>	ASC		205 (205)	205 (205)					410 (410)
Property Agile Works	GCS		5,392	8,114					13,506
Lewes Station Bridge	ETE		400	463					863
Newhaven Swing Bridge	ETE			113	1,107	18			1,238
Eastern Depot Development	ETE		1,185						1,185
New Bids Gross Expenditure		0	13,497	13,503	8,558	18	0	0	35,576
New Bids Income		0	(1,400)	(1,400)	0	0	0	0	(2,800)
New Bids Net		0	12,097	12,103	8,558	18	0	0	32,776
Total Gross Expenditure		120,342	171,252	104,968	20,518	325	0	0	417,405
Total Income		(55,771)	(53,408)	(30,281)	(298)	(307)	0	0	(140,065)
Total Net		64,571	117,844	74,687	20,220	18	0	0	277,340

Prudential indicators for 2012/13 to 2015/16

- 1.0 The actual gross capital expenditure that was incurred in 2011/12 and the estimates of capital expenditure to be incurred for the current and following 3 years that are recommended for approval are:

Department	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Adult Social Care	1,484	7,068	12,266	1,028	0
Governance & Community Services	7,005	11,311	15,163	9,101	256
Children's Services	26,101	48,768	39,741	15,332	0
Corporate Resources	5,846	11,114	10,220	9,694	548
Transport & Environment	18,246	42,081	93,862	69,813	19,714
Total for ESCC	58,682	120,342	171,252	104,968	20,518

- 2.0 Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual financing requirement at 31 March 2012 are:

	31/03/2012 Actual £m	31/03/2013 Estimate £m	31/03/2014 Estimate £m	31/03/2015 Estimate £m	31/03/2016 Estimate £m
Excl. Private Finance Initiatives and Finance Leases	293	302	311	355	343
Including Private Finance Initiatives and Finance Leases	391	396	401	441	426

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, East Sussex County Council does not associate borrowing with particular items or types of expenditure.

The Council has an integrated treasury management strategy and has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*. The Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury positions in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Council's underlying need to borrow for a capital purpose.

- 3.0 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2011/12 are:

2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
6.36	6.66	8.07	8.45	8.63

The estimates of financing costs include current commitments and the proposals in this budget report.

- 4.0 The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have previously been taken by the Council are:

For the band D Council Tax

	2013/14	2014/15	2015/16
Annual Increase	£0.00	£0.30	£4.57
Cumulative Increase	£0.00	£0.30	£4.87

Consideration of options for the capital programme.

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- Affordability, e.g. implications for Council Tax;
- Prudence and sustainability, e.g. implications for external borrowing;
- Value for money, e.g. option appraisal;
- Stewardship of assets, e.g. asset management planning;
- Service objectives, e.g. strategic planning for the authority;
- Practicality, e.g. achievability of the forward plan.

The following indicators are considered in detail within the treasury management strategy considered elsewhere on this agenda.

- 5.0 CIPFA's *Prudential Code of Capital Finance in Local Authorities* Includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The Deputy Director of Finance reports that the Council envisages no difficulty meeting this requirement for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Debt				
	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Total Borrowing	435	475	461	446

The Council's updated treasury management strategy and annual plan for 2012/13 was agreed by the Council at its meeting in January 2012 and has subsequently been updated in the light of changes in the financial markets. The plan for 2013/14 is contained elsewhere on the agenda.

- 6.0 The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Deputy Director of Finances' estimate of the most likely, prudent but not worse case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the Deputy Director of Finance.

Operational Boundary for External Debt				
	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Total Borrowing	415	455	441	426

7.0 **Borrowing**

The Council will continue the current practice of seeking to secure competitive fixed interest rate exposure. It is proposed to continue to set limits which would allow variable rate borrowing and lending in case that becomes a more effective approach. The table below shows both borrowing and lending and a combined borrowing and lending table.

	2012/13 Projected Outturn	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Borrowing:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit*	67%	85%	80%	67%
Variable Rate Exposure				
Upper Limit	33%	15%	20%	33%
Lower Limit*	0%	0%	0%	0%
* assumes all new borrowing is variable				
Lending:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%
Variable Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%
Combined:				
Fixed Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	27%	35%	37%	36%
Variable Rate Exposure				
Upper Limit	100%	100%	100%	100%
Lower Limit	0%	0%	0%	0%

- 8.0 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Maturity Period	Lower limit	Upper limit	Current
Under 12 months	0%	25%	5%
12 months and within 24 months	0%	40%	1%
24 months and within 5 years	0%	60%	14%
5 years and within 10 years	0%	80%	8%
10years and within 20 years	0%	80%	14%
20 years and within 30 years	0%	80%	18%
30 years and within 40 years	0%	80%	25%
More than 40 years	0%	80%	15%

- 9.0 East Sussex County Council has adopted the revised CIPFA *Code of Practice for Treasury Management in the Public Services*.
- 10.0 The County Council policy on Treasury Management does not allow investments of over one year.

Equalities Implications – Capital Programme

Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, gender (including gender reassignment) and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. When making decisions the County Council also considers other matters such as the impact of rurality, deprivation and being a carer.

Prior to making a decision as to which bids should be prioritised in the Capital Programme for the next four years up to 2017 (based on the 2 + 2 model), members should have due regard to the Equality Duty contained in Section 149 of the EA.

Having “due regard” does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that members’ understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate. Where a decision is likely to have an impact on a significant number of people, or where it is likely to have a significant impact on even a small number of people, the regard required will be high.

This means that in setting the Capital Programme, the three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations. Members must consider the equalities impacts, and in particular the negative impacts, that not including a particular project or bid in the Capital Programme up to 2016/17 will have for those with protected characteristics. Specifically, Cabinet needs to take account of these matters in deciding upon the relative priority to be given to different projects and bids, as well as the total level of expenditure that should be allocated to the Capital Programme.

The EA does not require an equality impact assessment (EIA) to be carried out; however the recent cases considering the public sector equality duty have held that an EIA is the best way to demonstrate that the equalities impacts have been identified and considered. Where a project which is being considered for the Capital Programme is likely to have impacts upon equalities, officers have considered the consequences for those with protected characteristics of that particular project or bid not being included in the Programme up to 2015/16, and have summarised these impacts for members to consider (see table below). Where EIAs have been conducted these are available as background documents.

Bid Name	Impact on Protected Characteristics								Comments	
	Age	Disability	Ethnicity	Gender & transgender	Marriage and Civil Partnership	Pregnancy and maternity	Religion & Belief	Sexual Orientation	No significant relevance to equality	
Capital Bridges Budget (LTP)										No significant relevance to equality
Building Maintenance and Backlog Reduction										No significant relevance to equality
Eastbourne and Hastings Lighting Reduction										<p>The impact of lighting reduction in Eastbourne and Hastings was not in scope when an EqIA was produced to cover schemes in Lewes, Rother and Wealden districts. The type of impacts are likely to be similar with the main issues being community safety, road safety, trip hazards and accessibility which are issues relevant to age, gender, disability, ethnicity, religion and sexual orientation. The main difference will be the magnitude of these impacts due to the characteristics of Eastbourne and Hastings. These characteristics include; higher population density, predominantly urban, the night time economy, higher crime rates, more traffic and more people from minority backgrounds.</p> <p>Despite these differences, our approach will be similar to the rest of county in collecting local intelligence to ensure that the proposed schemes are appropriate for the area. Local intelligence includes:</p> <ul style="list-style-type: none"> • Consultation with residents, • Assessment of the nature of the local area, • Input from the Police, • Records of traffic accidents and crime rates, • Input from the local Crime & Disorder Reduction Partnerships, and • Highway features and traffic conflict points. <p>An EqIA covering Lewes, Rother and Wealden was last updated in May 2012 and will be updated again in [tbc] to incorporate Eastbourne and Hastings.</p>
Eastern Depot Development										No significant relevance to equality
Highways Structural Maintenance										No significant relevance to equality

Bid Name	Impact on Protected Characteristics								Comments	
	Age	Disability	Ethnicity	Gender & transgender	Marriage and Civil Partnership	Pregnancy and maternity	Religion & Belief	Sexual Orientation	No significant relevance to equality	
Lewes Station Bridge Refurbishment										<p>The bridge is route is of strategic importance to the town and should the bridge be strengthened, it would allow town buses and rail replacement buses to integrate with the station and could potentially improve accessibility for groups reliant on public transport e.g. the young, elderly and people with disabilities.</p> <p>The effect of a bridge closure would have a detrimental effect on young people, many of whom cross the town while on route to the schools or college on Mountfield Road.</p> <p>Bridge closure would remove this vital route from the local network and displace traffic to other streets within Lewes, increasing congestion and poor air quality in other parts of the town. This could potentially affect certain groups more than others because children, older people and people from particular ethnic groups (e.g. South Asians) are at greater risk of health problems caused by poor air quality.</p>
Local Transport Improvements										<p>The aims of local transport improvements are underpinned by the objectives of LTP3, which was subject to an Equality Impact Assessment in August 2010. Many of these objectives are directly relevant to people with protected characteristics:</p> <ul style="list-style-type: none"> - Improved local connectivity of communities and access to jobs, services and leisure benefits all people but particularly people at risk of social isolation (e.g. elderly people), people without access to a car (e.g. young people) and people who require health and social care services (e.g. elderly, people with disabilities, pregnant mothers). - Improved road safety benefits all people but particularly young drivers who are most at risk of being involved in a road traffic accident. - Reduced local air pollution from transport - benefits young/elderly people and people from particular ethnic backgrounds (e.g. South Asian) who are at higher risk of health problems from poor air quality.

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										<p>- Improved personal health and well being by enabling increased physical activity through active travel (i.e. walking and cycling) benefits people with health issues (e.g. older people, people with disabilities).</p> <p>The Local Transport Capital Programme is subject to approval by the Lead Member for Transport and Environment in March 2013, thus providing a further opportunity to assess equality impacts.</p>
Newhaven Swing Bridge Refurbishment									No significant relevance to equality	No significant relevance to equality
Renewable Energy Phase 2									No significant relevance to equality	No significant relevance to equality
Street Lighting Column Replacement Programme										An equality impact assessment has been completed for the possible changes to the street lighting service. Separate assessments are being completed as individual area / town schemes are progressed and a similar approach will be adopted with this scheme.
Rights of Way Surface and Bridge Replacement										Very little local data is available on the profile of users of our countryside sites and Rights of Way (RoW) network. Research by Natural England, which demonstrates that there are four under-represented groups in terms of accessing the natural environment: people with disabilities, the young, BME groups, and residents of inner cities. Of these groups, the first two benefit most from bridge repair and surface improvements, particularly people with mobility impairments, children and people with young children in pushchairs. An EqIA covering the Countryside and RoW Service was completed in September 2010 and is sufficient to cover the proposed capital works.
Refurbishment of facilities to meet Care Quality Commission standards – Continuing Programme										Refurbishment investment will maintain/improve service provision in a range of ESCC ASC properties to ensure they meet minimum standards for registration. This will impact positively on disability, age and gender. The overall positive impact of this programme is clear and requires no EqIA.

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Basic Need School Place Provision										This programme fulfils ESCC's statutory duty to provide pupil places for children across the County. Providing sufficient space at schools is essential to meet local needs for high quality school places, but is particularly important in terms of ensuring access and attainment for pupils with SEN for whom disruption and crowded conditions can give rise to poor behaviour and attainment.
Family Contact (formerly Lansdowne Secure Home Service Team Relocation)										Accessible family contact positively impacts on outcomes or children and young people who are looked after and their relationships within the family unit.
Community Assets										This fund will have a positive impact on many groups particularly those dependent on our services such as the young or old whom without this funding may lose a valued local asset. The Council has recently completed formal lease arrangements for the temporary use of Tilling Green Primary School to the Rye Partnership and is currently in the process of completing the freehold transfer of the Ore Community Centre in Hastings. Both projects are examples of community asset transfers that will yield the favourable impacts identified.
The Maltings										The existing registration office in Lewes at Southover Grange is not DDA compliant and there is no lift to the office, which is accessed by a steep, narrow staircase. We regularly receive complaints about the inaccessibility of the building. Parents registering their baby's birth have to leave buggies unattended in the vestibule, because they cannot be taken upstairs. Interviews with some informants registering deaths have been conducted in their car because they cannot climb the stairs. The new facilities will have a positive impact on the whole community and will be used by people of all ages for registering key life events (e.g. births, deaths and stillbirths) and holding ceremonies. An EqlA will be carried out at an appropriate stage.
Carer Facilities Grant (formerly Disabled Facilities Grant and Foster Carer Home Improvement Grant)										The DFG is wholly targeted at minimising the access challenges for families with disabled children and foster/adoption of siblings where additional space is required.

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Carbon Reduction Schemes (formally Sustainable Building Design and Carbon Reduction Schemes)										No significant relevance to equality
DDA Improvements										<p>This is a programme of disabled access surveys of all ESCC's non-school properties to assess the accessibility of each property and address disabled access issues on a case by case basis. The objective is to endeavour to make sure that the service provided from the property is accessible to people with disabilities by considering the following possible options:</p> <ul style="list-style-type: none"> - remove the physical feature preventing access, - alter the physical feature preventing access, and - provide reasonable means of avoiding the physical feature. <p>DDA improvements will be prioritised according to a number of factors as set out in the capital bid. The factors that are prioritised the highest are cases where a specific issue is brought to our attention by the public or a member of staff, and whether the building is open to the public. This will ensure that DDA improvements are targeted towards buildings where the benefits are greatest. Both service users and staff are key beneficiaries of DDA improvements to our buildings. It is estimated that 16.8% of the county's population have a disability (2012) while 2.8% of the ESCC's workforce have a declared disability (2011). An EqIA was completed in 2011 and will be reviewed for update by March 2013.</p>

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Pine Grove Public Sector Hub										<p>The creation of a civic hub in Crowborough will yield a number of positive impacts to a range of potential users of a Pine Grove community centre. This will depend on the services that decide to relocate to the civic hub but could potentially include:</p> <ul style="list-style-type: none"> - library (benefits young and older people especially) - registration services (impacts on marriage and civil partnerships) - children's psychology unit (benefits children and their parents/carers) - adult learning disability day centre (benefits adults with learning disabilities and their carers) - public contact office for Sussex Police (positive impact on community safety which benefits all protected characteristics) <p>We are also examining opportunities to include a drop in office, customer help desk for Wealden DC and offices for Crowborough Town Council.</p>
Agile Working Programme (AWP) –Procurement of Transformation Partner										<p>Work is what and how we do it not where it happens, with a key principle of using technology and information to allow us to choose where and how we deliver our services being integral. The impact of agile working policies on people with the protected characteristics has not yet been articulated. However, there is potential for positive impacts on disability, gender, maternity and pregnancy. By identifying worker profiles and categorising staff appropriately, collation and monitoring will be improved to provide more accurate and consistent data. When detailed programme planning begins we will ensure that developing an EqIA and related impacts is included alongside the appropriate personnel and HR policies although this is unlikely to start before 2013.</p>

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Hastings Library and Registration Service Partnership – bid for additional resources to existing allocation										<p>The aim of the project is to deliver a modern, accessible public library and registration service at the Brassey site in Hastings. The site will be DDA compliant and will include two larger lifts and accessible toilets for easy access by people with mobility disabilities. The new library will have expanded facilities for adult skills, opportunities for family learning and IT skills. This is of particular educational benefit to young people and parents as well as older people who wish to take advantage of internet and other facilities at the library. The site will be spacious enough to locate both the main library and the children's library in the same space and provides more room for children in a safer environment. The children's library is currently located in a separate premise across the road which means that parents are unable to use the main library at the same time.</p> <p>With the co-location of the Registration Service within the scheme there is the ability to stream weddings live across continents bringing far flung family and friends together to witness special events. This benefits people from BME backgrounds who are more likely to have friends and family abroad, as well as people with disabilities who may be unable to attend in person. An EqlA will be developed during 2013/14.</p>
Library refurbishment										<p>Improved access for all ages and abilities. Space for events, workshops etc tailored to individual age/interest groups. Improved signage. Enhanced internal design and furniture making it easier for customers to use the library space. Potential for improved lighting for people with visual impairment. Potential for improved hearing loops facilities. Existing EqlAs relating to library facilities will be reviewed and updated by March 2013.</p>
House Adaptations for People with Disabilities										<p>Capital investment will have a positive impact on disabled and older clients helping to maintain their independence. The EIA of this programme will commence in January 2013, with a target date for completion April 2013.</p>

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Ninfield Road, Bexhill-on-Sea – Supported Accommodation										Positive impact on disabled clients with mental needs from a variety of cultural backgrounds and lifestyles seeking accommodation based packages of care. The development work on this project will commence in January 2013, with the EIA as an integral part of that development. Work on site will begin in Summer 2013 for completion end September 2014.
Extra Care Housing – Bexhill on Sea										Positive impact on disabled and older clients from a variety of cultural backgrounds and lifestyles seeking housing with care and support. EIA is expected to begin in June 2013 for completion January 2014. Subject to approval work on site is expected to complete by March 2015.
Schools Access Initiative Grant										The SAI Programme contributes to the Local Authority's overall strategy for increasing access and inclusion for pupils with special educational needs.
School Reorganisation Improvements and OFSTED Impacts										No significant relevance to equality
Southdown and Grays										No significant relevance to equality
Temporary Accommodation Programme										No significant relevance to equality

***Low income households (Information www.poverty.org accessed 2012)**

Around a third of all disabled adults aged 25 to retirement are living in low-income households. This is twice the rate of that for non-disabled adults. The main reason why so many disabled people are in low-income households is their high levels of worklessness. Adults in the poorest fifth of the income distribution are much more likely to be at risk of developing a mental illness as those on average incomes. 60% of disabled working-age adults are not in paid work compared to only 15% of their non-disabled counterparts.

Children are more likely to live in low-income households as adults. One in ten 16- to 18-year-olds are not in education, employment or training.

A half of all lone parents are in low income, most lone parents are women.

Two-fifths of people from ethnic minorities live in low-income households, twice the rate for White people. A quarter of working-age Bangladeshi, Black Caribbean and Black African households are workless.

