

CABINET

9 JULY 2008

CAPITAL STRATEGY AND PROGRAMME 2008/09 – 2013/14

REPORT OF HEAD OF FINANCE

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RECENT REFERENCES:

CAB1484: Capital Strategy and Programme 2007, 17 July 2007

CAB1530: Capital Programme 2007/08 to 2012/13, 19 September 2007

CAB1607: Capital Programme 2007/08 to 2012/13, 13 February 2008

CAB1629: Budget and Council Tax 2008/09, 13 February 2008

CAB1674: Capital Outturn 2007/08, 4 June 2008

EXECUTIVE SUMMARY:

The report presents the draft Capital Strategy for 2008. The background to the current Capital Programme is outlined together with an updated Capital Strategy and Programme for consideration and approval.

The capital programme represents the fully approved position at the time of writing.

RECOMMENDATIONS:

That Cabinet recommends to Council that the Capital Strategy and Capital Programme be approved.

## CABINET

9 JULY 2008

### CAPITAL STRATEGY AND PROGRAMME 2008

#### REPORT OF HEAD OF FINANCE

##### 1 Introduction

- 1.1 The Council produces an annual Capital Strategy based on the Government's good practice guidelines issued in 2000 to assist local authorities in asset management and control of capital programmes.
- 1.2 The Capital Strategy submitted to the Government Office for the South East (GOSE) in 2002 was rated 'good' and accordingly the City Council did not have to submit further strategies for formal approval. However, it is important that the principles of effective capital planning and asset management are maintained so the Strategy is reviewed and updated each year.
- 1.3 The adoption by the Council of an updated Capital Strategy is also in accordance with the principles embodied in the Prudential Code.

##### 2 Current Capital Programme

- 2.1 The capital programme was approved as part of the budget process in February 2008. It has now been updated to reflect supplementary approvals and the brought forwards arising from the 2007/08 outturn position.
- 2.2 The outturn position of the capital programme for 2007/08 was considered by Cabinet on 4 June (CAB1674) and Council on 25 June.
- 2.3 The Capital Strategy is an integral part of the overall Financial Strategy which is covered in a separate report on this agenda (CAB1663).

##### 3 Capital Strategy

- 3.1 The Capital Strategy attached as an Appendix to this report sets out the context of the capital programme which is in line with the Council's Sustainable Community Strategy and Corporate Business Plan.
- 3.2 The capital programme represents the fully approved position at the time of writing.
- 3.3 The Council's Asset Management Plan is being considered elsewhere on this agenda (CAB1659).
- 3.4 In previous years, the Council was required to submit a detailed Housing Investment Programme for consideration and assessment by the Government Office for the South East. This process has been replaced by the requirement for the Council to publish a Housing Strategy and separate Housing Revenue Business Plan.

OTHER CONSIDERATIONS

CORPORATE STRATEGY (RELEVANCE TO):

A clear capital strategy is an integral part of the Council's Corporate Policy Framework.

RESOURCE IMPLICATIONS:

None directly.

BACKGROUND DOCUMENTS:

Various documents held in Finance and other directorates.

APPENDICES:

Appendix      Draft Capital Strategy 2008

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## CAPITAL STRATEGY 2008

### BACKGROUND

1. Winchester City Council is a district council within the County of Hampshire. At its heart lies the ancient cathedral town of Winchester, the former capital of England and burial place of early English Kings. It covers a large area of 660 square kilometres (250 square miles) and has a population of over 109,000 people. Of these about 40,000 live in the town itself and the remainder live in market towns and rural areas around the District. Winchester's rich heritage and natural landscape make conservation, planning, tourism and archaeology important features of the Council's work. The City is also a centre for education and learning with many higher and further educational institutions as well as being the home of Winchester College, the oldest school in England.
2. The District is within easy commuting distance of London and some of the major south coast conurbations and this gives rise to very low unemployment levels, currently at about 0.8%. There are nearly 47,000 households in the District and the Council faces a particular challenge in trying to provide sufficient affordable housing for local people. To the south of the District Whiteley offers a modern industrial base for many of the area's high-tech employers. The armed services also play an important part in the life of the District with several army establishments in the northern part, the Military Police at Southwick Park and naval establishments to the south.
3. In terms of scale, the gross revenue expenditure budget for the Council in 2008/09, including the Housing Revenue Account (HRA), is £89.9 million and its gross income budget is £68.7 million. The current six year capital programme amounts to £57.8 million.

### INTRODUCTION

4. All local authorities are required to adopt the principles of good asset management in managing their capital assets. A key element of this process is the production of a capital strategy, which has been developed in conjunction with an Asset Management Plan (AMP), a Housing Strategy (which sets out the Housing Investment Programme (HIP)) and a Business Plan. The Government's good practice guidelines have been observed in producing the City Council's plans and strategies. The Strategy for 2008 is in similar format to that produced in 2007 but updated for new developments and any policy changes.
5. Although the City Council's capital programme largely revolves around the housing issues identified in the Housing Strategy and HRA Business Plan, the wider issues of other service provision are also clearly identified and financed in the capital programme.
6. The Council is committed to ensuring that the allocation of resources reflects the strategic priorities it has identified. These have been determined in consultation with the local community and reflect the issues identified in the Community Strategy and in conjunction with the Local Strategic Partnership (LSP). Future capital programmes will no doubt be influenced further by developments in community engagement and the work of the LSP.
7. The Council's commitment to value for money and efficiency is also an important consideration in formulating the capital strategy, especially where cross cutting issues are involved.

## KEY CAPITAL SPENDING OBJECTIVES

8. In support of the Corporate and Community Strategies the priority is to invest in capital projects in the key service areas:
- (a) Provide housing, in particular affordable housing, to meet the needs of the whole community
  - (b) Meet the Decent Homes Standard in our own housing stock
  - (c) Foster a strong and diverse urban and rural economy
  - (d) Increase feelings of safety by reducing the likelihood that people will indulge in anti-social behaviour and continue to collaborate with our partners to continue to drive down levels of crime generally
  - (e) Improve access to services and to cultural opportunities for residents
  - (f) Help the most deprived parts of our community to be more self confident and self supporting
  - (g) Improve the quality of peoples lives by encouraging more active and healthy lifestyles
  - (h) To work with others to help children and young people in the District to stay safe, be healthy, enjoy and achieve, and make a positive contribution to our society
  - (i) Make sustainable use of resources with special attention to reducing and recycling waste
  - (j) Improve air quality in Winchester and reduce congestion
  - (k) Protect and enhance the bio diversity of the natural environment and minimise the loss of green fields to development
  - (l) Increase our residents' pride in the place where we live
  - (m) Protect our important heritage
  - (n) Ensure that the Council's property assets are maintained and enhanced to an appropriate standard
9. Capital investment contributes to the achievement of the Council's objectives by producing the finance and other resources necessary to provide facilities for the people of the District directly or in partnership with others. It can also be a powerful mechanism for leveraging in other sources of finance, either directly or through other parties. Enablement is a key factor in determining where best to invest resources and may determine whether facilities are provided directly by the City Council or by partner organisations. Recent capital schemes involving partnerships include: Discovery Centre, Winchester Stadium, Tower St Car Park, and Swanmore School sports facility.
10. In determining capital investment the Council is keen to use the best practices in relation to procurement and construction. Although major construction projects are scarce in the capital programme, where they are included then best practice is followed. Much of the housing maintenance work is procured through partnering and framework agreements and upgrading of the Council's sewage treatment works is carried out where appropriate to the standard where they can be adopted by the local water company. In all cases of procurement, the Council's objective is Best Value, which by definition evaluates both cost and quality. The Council's objective is not just lowest cost (although this does not imply any lack of cost consciousness).
11. Optimum use of scarce resources is also inherent in this approach and Best Value is achieved using appropriate competitive methods. In the case of contract works formal

tendering procedures are undertaken. In the case of new social housing supply there is a healthy, competitive process which for several years has very closely mirrored Joint Commissioning procedures, and was mutually agreed between the Council and the Housing Corporation in order to ensure cost effectiveness. In this latter respect, the evaluation of financial information (e.g. rent levels) was married to an evaluation of softer social issues with quality of life a strategic objective of the Council. The changes to the Local Authority Social Housing Grant regime which were brought in at very short notice in April 2003 altered the balance of funding for social housing and made it even more imperative to ensure optimum use of scarce resources.

### **CAPITAL PROGRAMME 2008/09**

12. The Council's capital programme for the year 2008/09 is summarised below:

<b><u>2008/09</u></b>	<b><u>£000</u></b>
Housing Revenue Account	4,945
General Fund:	
Economic Prosperity (Incl. Car Parks & Capital Repairs)	1,735
Safe & Strong Communities (incl. Affordable Housing, Renovation Grants, & Leisure Centre Capital Repairs)	5,725
High Quality Environment (incl. Public Toilets & Environmental Improvements)	357
An Efficient & Effective Council (incl. IT & Property)	5,259
<b>Total Approved Programme</b>	<b>18,021</b>

13. Sources of funding for the above capital programme are:

<b><u>2008/09</u></b>	<b><u>£000</u></b>
Major Repairs Allowance	3,325
Grants	270
Bequests	150
Capital Receipts	12,153
Other Reserves	1,442
Other Sources	681
<b>Total Funding</b>	<b>18,021</b>

## **DRAWING UP THE CAPITAL PROGRAMME**

14. The City Council considers the total capital programme as part of the budgetary process. Six-year capital projections are produced as part of the overall financial strategy.
15. The current emphasis is on ensuring that the Council's housing stock is maintained at a high standard and encouraging the provision of affordable housing within the District to meet the shortages now being experienced. In tandem with this is the recognition that other facilities are essential for a balanced community. Although the capital programme cannot yet meet all of the community's aspirations, effective capital planning will ensure value for money in the use of the resources available.
16. The capital programme is updated annually by CPAG on the basis of identified needs and priorities and is reviewed by the Corporate Management Team (CMT) before being submitted to the Cabinet in December each year as an integral part of the budget process. It is updated in July each year, taking into account legislative changes, new schemes approved and any roll forward of budget from the previous year.
17. With regard to prioritisation, the Council has detailed forward plans for each major element of capital investment required. The Council aims to be realistic about the speed at which those plans can be delivered in line with available resources.

## **HOUSING INVESTMENT**

18. The Councils Housing Investment Programme (HIP) consists of priorities detailed in the Housing Strategy and HRA Business Plan. Clear plans to make the most effective use of land and other assets to promote affordable housing, improve standards of private sector dwellings, provide disabled facilities grants aimed at helping residents manage their lives in their own home and to ensure that Council stock complies with the Decent Homes standard and that the Council's Landlord Service takes full account of tenant aspirations are all addressed through these two key documents.
19. The Council commissioned a Housing and Planning Urban Capacity Study in 2002 which identified that good development opportunities exist, subject to planning approval, to provide at least 400 new affordable homes, as well as a range of community facilities, on suitable sites held in the Housing Revenue Account.
20. The Council completed a review of potential management options for the future of its housing stock in 2005. Whilst it has been possible to retain the stock and ensure it is improved in line with the Decent Homes standard by 2010, the Council is not in a position to meet projected medium term maintenance costs. The Council therefore intends to update the Housing Options review in 2008.
21. In preparation for this Options review, 3 specific strategic reviews have been undertaken in the last 12 months to inform the sustainability of the Council's Asset Management Plan for Housing and ultimately the HRA Business Plan. These were:
  - Update of the Council Home Condition Survey carried out in 2003 – primarily to update the Investment Forecast 2008/09 – 2037/38, and particularly 2009-2013, the next 5 year planning period.
  - Gas fired Heating Systems in the Council's Housing Stock.
  - The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.



22. The 3 review findings are in draft form at present, but as their results and impact have started to emerge and coincide with the timing of the 2008/09 update of the HRA Business Plan, it is considered prudent to produce a brief summary with likely financial implications. More details will emerge to coincide with the Housing Options Review planned throughout 2008. The financial implications however indicate that from 2009/10 a revised Asset Management Plan will need to reflect the identified programme requirements and budget at actual cost and the full effect of construction related inflation. The difference between the budget available for 2008/09 (£7.716m) and the budget requirement for 2009/10 (£9.763m) is £2.047m pa and is currently unfunded (eg. no current funding source has presently been identified and/or approved to meet this additional expenditure).
23. Whilst the Asset Management programme included in the 2008/09 Business Plan is based on the revenue and capital programmes approved by Cabinet and Council in February, it can only be considered as an "interim" programme. A base budget of £9.763m is required ensure that the objectives of the Winchester Decent Homes Plus Standard can be met and continue over the next 5 year planning period 2009/13 and the Housing Options project team will need to consider how such a programme can be funded from 2009/10.
24. One area that has been identified for a more comprehensive capital management approach is the Council's operational property. This is included in the Estates Division business plan for 2008, and includes the second phase of a series of Condition Survey Reports on the Council's most major operational buildings that have a medium to long-term future, in order to quantify the repairing liabilities and formulate an appropriate repairs and investment plan.

#### **INITIATION AND APPROVAL OF CAPITAL PROJECTS**

25. All capital projects must be initiated by a sponsoring client officer (normally the relevant Corporate Director) and have a named project manager who has overall responsibility for bringing the project in on time and within budget.
26. Initiation and monitoring of capital items is in accordance with limits set out in the current Financial Procedure Rules and the Council's Project Management System.
27. Inclusion of a scheme in the capital programme does not constitute authority to incur expenditure until a project report has been submitted to CMT and CPAG by the appropriate Head of Division in consultation with the Head of Finance, and the scheme then approved by Cabinet and/or the appropriate committee.
28. All projects estimated to cost in excess of the limit set out in the Financial Procedure Rules (£100,000) must have a feasibility report approved by Cabinet.

#### **PERFORMANCE MONITORING**

29. CPAG monitors progress against the agreed capital programme and presents reports to the CMT and the Cabinet. Financial performance against budget is the prime measure currently used but time targets and slippages are also monitored.
30. An annual capital performance monitoring report also goes to the Cabinet providing explanations for any significant variations against budget. This constitutes an element of the performance management framework, measuring continuous improvement over time. An overall measure of performance to achieve 90% spend against the capital programme was the target for 2007/08. Actual performance was 57% and a report of the variance was given to Cabinet as part of the monitoring process (CAB1674).

31. The Principal Scrutiny Committee can review any major capital project or programme at any time and in the past year reviews have included; Relocation from the Hyde Resources Centre and the Alresford 'putting pedestrians first' project. In the previous year they completed reviews of; Avalon House – future plans, Historic Resources Centre Hyde, Tower Street repairs, and disposal of vacant dwellings.
32. A post implementation review must be carried out six months after implementation for each major scheme approved. Findings must be reported to the appropriate Scrutiny Panel. The post implementation review should identify learning opportunities and assess the value for money achievement, helping to identify payback on the investment of resources.

## **RESOURCING THE CAPITAL PROGRAMME**

33. The major sources of finance available for capital projects are borrowing, capital receipts, grants, revenue contributions and reserves. Authorisation to spend on capital projects was hitherto constrained by the availability of capital approvals (from Government), useable capital receipts, grants (Government, lottery, etc) and contributions from revenue or reserves. Under the provisions of the Prudential Code, which came into force in 2004, the Council can invest in a capital programme so long as its capital spending plans are affordable, prudent and sustainable.
34. The current policy is to finance from capital receipts, revenue and reserves. Funding of HRA capital schemes, other than sewage works (which have been funded mainly from capital receipts) is primarily from the Major Repairs Allowance (MRA), and revenue. However, with the emerging pressures in this area highlighted above, the Council has introduced a policy to sell vacant dwellings to generate sufficient receipts to underpin the maintenance programme. The sustainability of this approach in light of the current housing market and "credit crunch" needs to be monitored closely in the coming months.
35. Although some capital approvals have been received in recent years there has been no certainty as to availability or amount so the emphasis has been on funding from capital receipts (arising mainly from the sale of council houses but also sometimes from sale of non-operational property) and revenue. In 1997/98 the Council established a Major Investment Reserve into which revenue surpluses from the general fund are paid and which can be used to finance capital expenditure.
36. The major source of capital receipts is from the sale of Council houses under the Right to Buy scheme. The Council's decision to make early repayment of outstanding long term debt freed up set-aside capital receipts to enhance the capital programme. However, legislative changes to pool all receipts from HRA Right to Buy sales into a national pool from 1<sup>st</sup> April 2004 severely limit the City Council's ability to fund capital projects.
37. In 2007, the Council has implemented a programme of disposing of a small number of vacant Council dwellings, specifically to generate an additional £2m per annum for reinvestment in affordable housing. These receipts support both the supplementary capital programme for Decent Homes and Major Repairs as well as additional grant investment in new build of affordable housing. Delivery of this element of the programme is wholly reliant on processing sufficient sales to resource it. In line with Capital Pooling and Allowance rules, the Council can only retain 100% of these receipts by reinvesting them in affordable housing or regeneration.
38. An ongoing review of non-operational assets was initiated by CMT in 2001 and is currently being monitored by CPAG. Some properties have been identified for disposal but with others the loss of rental income could have an adverse impact on the revenue budget and this is taken into account in reaching decisions. The merit of continuing to

hold non-operational properties in the Housing Revenue Account (HRA) was considered by Cabinet in 2004 with some properties having been moved to the General Fund.

39. Funding from other potential sources such as European funds, lottery funds and new Government initiatives such as the Invest to Save budget have been explored by CPAG and applications for funding made, although so far with limited success. Some funding has been received from the Government's Implementing Electronic Government (IEG) programme.
40. The use of Private Finance Initiative (PFI) funding has been considered by the Council and an unsuccessful application for PFI funding for additional social housing was submitted in 2002. CPAG will continue to consider all new schemes put forward, with a view to utilising PFI if appropriate and economic to do so.
41. Major Public/Private partnership funding has been a feature of outsourced contracts in recent years. The full refuse vehicle fleet was replaced under a ten year contract for Depot services with Serco Ltd; major enhancements were made to River Park Leisure Centre under a ten year (subsequently extended to 13<sup>1/4</sup> years) management contract with DC Leisure Ltd; and capital funding for enhancements to the Guildhall have been secured under a four year catering contract with Fosters Rooms Ltd.

## **PARTNERSHIP WORKING AND CONSULTATION**

42. Partnership working underpins much of the Corporate Strategy. A Local Strategic Partnership comprising local authorities, the local business community, voluntary bodies, the local military community, Primary Care Trust and the local education sector has helped the City Council develop its Community Strategy. The development and implementation of this is subject to ongoing discussions with other partners within the community and has a direct impact on the future capital programme.
43. Consultation takes place at many levels within the authority. These include local tenants groups (e.g. TACT), local community groups (e.g. WACA/CAB), local business for a (e.g. Chamber of Commerce and Town Centre Manager) and with other public bodies (Hampshire County Council, Primary Care Trust, Parish Councils). The Council conducts regular surveys through its Citizens' Panel. Feedback from these various sources informs the strategies and business plans produced by and for Members.
44. Capital works undertaken by the City Council on behalf of other authorities are normally included in the capital programmes of those other funding authorities. Although strategy, priorities and funding may be determined elsewhere, supervision and management of these schemes form an element of the overall approach to capital resource management.
45. The Council works closely with Hampshire County Council on highway and transportation capital projects but all costs of these are included in the County capital programme and the Local Transport Plan.
46. Joint working with social housing providers is inherent in the strategy, both the provision of social housing grant and land at less than market value to housing associations and the direct commissioning of joint projects aimed at meeting housing need and improving housing conditions.
47. The Council is working closely with the Hampshire Primary Care Trust to produce improved accommodation for two town centre GP practices to meet local healthcare needs.
48. The Council has signed a development agreement with Thornfield Properties plc to bring forward the development of a major mixed use scheme in the Silver Hill area of central

Winchester. The Council has a number of capital assets within this area which are included in the terms of the agreement. In early 2007 the scheme was approved by planning and the next phases will include the Council exercising its compulsory purchase powers to ensure the assembly of the whole site. The Council has minimised its exposure to financial risk in this process through indemnity agreements with Thornfield. As part of the agreement the Council will be given a capital sum to reprovide a CCTV control room and parking offices off site. If the scheme is financially successful the Council would share in profits above an agreed level by way of an overage agreement. For the purposes of capital planning no overage has been anticipated and overall in relation to the Council's budget the scheme is assumed to be capital neutral.

49. Close working with Parish Councils on the provision of open spaces and play areas has resulted in a large number of schemes across the District being funded from developers' contributions negotiated by the City Council. The Council's approach to ensuring that developers make fair contributions towards the cost of new facilities required as a direct result of development has ensured that there is a good level of provision in these areas without the need to divert other resources. The Council also has a provision for environmental improvements in rural areas allowing access for Parish Councils and local interest groups to funding for small local schemes that would not otherwise be undertaken.
50. Capital infrastructure in the Major Development Area (MDA) at West of Waterlooville is being planned in conjunction with three other local authorities, the local Primary Care Trust, Developers and Social Housing Providers.

## **SUMMARY**

- 49 This capital strategy has been drawn up to assist the Council in providing facilities that will benefit the local community. To do this it embraces the principles of good asset management of the Council's capital assets and obtaining value for money from the Council's limited resources. In this process the needs and priorities of the local community are paramount and a number of mechanisms are employed to ensure that the outcomes from the Council's capital programme reflect these adequately.

## **Reference Documents**

Asset Management Plan 2008

Corporate Business Plan 2008

Community Strategy 2008

Corporate Strategy 2008-2011

Divisional Business Plans 2008

Financial Strategy 2008/09 – 2013/14

Housing Strategy 2008/11

HRA Business Plan 2008/09

## CAPITAL PROGRAMME FOR 2008/09 TO 2013/14

## Annex 1

Corporate Priority	2008/09			2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000	£000	£000
	base budget	Growth/ (Slippage)	Brought fwd from 2007/08	Total				
<b><u>Economic Prosperity</u></b>								
Car Parks	199	-	62	261	180	180	180	180
Tower Street	1,130	-	100	1,230	100	100	-	-
Tower Street Car Park	100	-	-	100	-	-	-	-
Tourist Info Centre Improvements	50	-	-	50	-	-	-	-
Discovery Centre Fit Out	-	-	52	52	-	-	-	-
Guildhall Capital Repairs	42	-	-	42	-	-	-	-
	<b>1,521</b>	<b>-</b>	<b>214</b>	<b>1,735</b>	<b>280</b>	<b>280</b>	<b>180</b>	<b>180</b>
<b><u>Safe &amp; Strong Communities</u></b>								
Henry Beaufort School	-	130	-	130	-	-	-	-
Alresford 'Putting Pedestrians First'	50	174	-	224	1	-	-	-
Major repairs	3,325	-	-	3,325	3,325	3,325	3,325	3,325
Re-investment in affordable housing	1,000	-	420	1,420	1,000	1,000	1,000	1,000
Abbey Mill	30	-	-	30	-	-	-	-
Hockley Viaduct	42	(22)	-	20	42	42	42	42
Parchment Street Art	15	-	-	15	-	-	-	-
Renovation Grants - Mandatory	450	-	-	450	450	450	450	450
Renovation Grants - Discretionary	170	-	-	170	170	170	170	170
Affordable Housing/Regeneration	1,000	-	980	1,980	1,000	1,000	1,000	1,000
Affordable Housing/funded by Developers' contributions	200	-	84	284	200	200	200	200
CCTV	722	-	-	722	-	-	-	-
Open Space & Recreation Facilities	288	-	-	288	150	150	150	150
Capital grants	98	-	105	203	80	80	80	80
Guildhall Community Facilities	150	-	-	150	500	600	-	-
Knowle Community Building	350	-	50	400	-	-	-	-
Rural Transport	50	-	25	75	50	50	50	50
City Museum	220	-	-	220	-	-	-	-
RPLC Capital Repairs	100	-	93	193	-	-	950	-
Winchester High Street	-	-	-	-	500	-	-	-
Meadowside	154	-	17	171	300	-	-	-
	<b>8,414</b>	<b>282</b>	<b>1,774</b>	<b>10,470</b>	<b>7,768</b>	<b>7,067</b>	<b>7,417</b>	<b>6,467</b>
<b><u>High Quality Environment</u></b>								
Sewage Treatment Works	200	-	-	200	200	200	200	200
Winnall Moors Project	10	-	-	10	10	10	10	10
Public Conveniences	-	-	14	14	20	-	-	-
Replacement Bins	10	-	-	10	10	10	10	10
Abbey Gardens Public Toilets	250	-	-	250	-	-	-	-
Denmead Environmental Improvements	-	18	55	73	-	-	-	-
	<b>470</b>	<b>18</b>	<b>69</b>	<b>557</b>	<b>240</b>	<b>220</b>	<b>220</b>	<b>220</b>
<b><u>An Efficient &amp; Effective Council</u></b>								
ICT Equipment	200	-	4	204	200	250	200	200
ICT E-govt	1,160	-	-	1,160	348	-	-	-
Financial System	40	-	-	40	110	-	-	-
Purchase of property	2,814	-	-	2,814	-	-	-	-
West Wing	224	-	-	224	-	-	-	-
Abbey House	-	-	40	40	390	-	-	-
Avalon House	-	-	-	-	-	-	-	-
City Offices	80	-	-	80	20	20	20	20
Enveloping Machine	23	-	-	23	-	-	-	-
Development of Parish Hubs	12	-	-	12	-	-	-	-
Guildhall	162	-	-	162	-	-	-	-
Museum Storage	300	-	-	300	-	-	-	-
Whiteley Outreach	50	-	-	50	-	-	-	-
New Offices - fees	150	-	-	150	200	210	-	-
	<b>5,215</b>	<b>-</b>	<b>44</b>	<b>5,259</b>	<b>1,268</b>	<b>480</b>	<b>220</b>	<b>220</b>
<b>Total</b>	<b>15,620</b>	<b>300</b>	<b>2,101</b>	<b>18,021</b>	<b>9,556</b>	<b>8,047</b>	<b>8,037</b>	<b>7,087</b>
of which:								
General Fund	11,095	300	1,681	13,076	5,031	3,522	3,512	2,562
Housing Revenue Account	4,525	-	420	4,945	4,525	4,525	4,525	4,525

**CAPITAL PROGRAMME - FINANCING**

<b><u>FINANCING</u></b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	£000	£000	£000	£000	£000	£000
Major Repairs Allowance	3,325	3,325	3,325	3,325	3,325	3,325
Capital Grant (SCG)	270	270	270	270	270	270
Waste Performance Grant	-	-	-	-	-	-
Developers contributions	414	200	200	200	200	200
Car Park Property Reserve	635	-	-	-	-	-
ICT Strategy Reserve	207	28	-	-	-	-
Open Space Reserve	100	100	100	100	100	100
Bapsy Bequest	150	500	600	-	-	-
Revenue contributions	-	-	-	-	-	-
Capital Receipts - General Fund	8,508	2,182	1,352	1,942	992	992
Capital Receipts - HRA	245	200	200	200	200	200
Major Investment Reserve	500	500	-	-	-	-
LABGI	93	250	-	-	-	-
Capital Receipts (disposal of dwellings)	3,400	2,000	2,000	2,000	2,000	2,000
Government Grants	111	1	-	-	-	-
Non-Government Grants	63	-	-	-	-	-
<b>Total</b>	<b>18,021</b>	<b>9,556</b>	<b>8,047</b>	<b>8,037</b>	<b>7,087</b>	<b>7,087</b>

## Partnerships and Community Planning

*The Council actively encourages input from the community and the following from the Local Strategic Partnership:*

Winchester & District Working Together (representing the City Council & local community);

Hampshire Constabulary (representing Community Safety Group);

Winchester Area Community Action and Winchester & District Working Together (representing the Voluntary Sector);

North Hampshire Chamber of Commerce & Industry (representing the business sector);

Hampshire County Council (representing HCC & the local community);

University College Winchester and Community Learning Partnership (representing the learning sector);

Winchester & District Association of Parish & Town Councils (representing Parish & Town Councils and the local community);

Hampshire Primary Care Trust (representing the health sector);

A2 Winchester (representing the housing sector);

Winchester Churches Together (representing the Faith Sector).

*In addition consultation is carried out on a range of issues with:*

Service users

Winchester Citizens' Panel

Neighbouring district councils

Various Professional Bodies

Members of Winchester City Council

Staff of Winchester City Council

Contractors carrying out work for the City Council

*Consultation is carried out via:*

Open meetings

Special topic meetings

Questionnaires

Local Fora

*Feedback is considered by:*

Cabinet

Principal Scrutiny Committee

Scrutiny Panels

Corporate Management Team

Departmental Teams

Working Groups

## PROGRAMME AREA SERVICE INVESTMENTS

The Capital Programme includes budget provision for priorities identified within divisional business plans. These attempt to be realistic about the likely resources available and give recognition to the fact that competing priorities have to be balanced.

The service strategies illustrate how competing priorities have been balanced and give outlines of each element within the strategies, noting that complete detail is available for component parts in individual forward plans which are fully researched, carefully prioritised and re-evaluated annually.

### 1. ARTS AND COMMUNITY

- 1.1. As part of its scheme of grant aid to voluntary and community organisations, on an annual basis Cabinet approves financial support for local capital schemes that meet the relevant policies and criteria set down for the Community Grants Scheme and also fall within one or more of the Council's key priority areas. Awards are made to Community Associations, Hall Management Committees, community sports clubs, Parish Councils, etc for a variety of projects many related to making improvements to community facilities. The types of work range from new facilities and extensions to disabled access modifications. A budget of £80,000 per annum is ear-marked in the programme on an on-going basis with additional funds met from revenue as required.
- 1.2. Known as the 'Bapsy Bequest', the sum of £650,000 was bequeathed to the City Council by the Marchioness of Winchester to be used to build a new community hall next to the Guildhall. With accrued interest this amount is now calculated to be worth in excess of £1million. The Council's range of options is severely constrained by the terms of the Bequest but, following public consultation and research by consultants, the proposals will be considered in conjunction with the Council's proposals for new Council offices adjacent to the Guildhall. Further work on this project is necessary which will be on-going during 2008/09

### 2. INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) INVESTMENT STRATEGY

- 2.1. The ICT Strategy provides the Council with ICT policy and investment guidance in line with the Council's business objectives. In particular it has provided a framework for the Council's response to the Government's transformation agenda.
- 2.2. A fundamental issue for the Strategy is to ensure that any investment by services not only makes them more efficient and effective, but improves accessibility for those who use them. One of the main drivers within the strategy is balancing the use of interactive Internet facilities alongside mediated services being provided with the rollout of the Customer Service Centre. The Strategy is fundamental to and underpins the cultural change that the Council is adopting in order to achieve Electronic Service Delivery (ESD).
- 2.3. The Strategy supports joined up service provision by developing the information infrastructure and facilities for two-way communication with customers. Central to this aim is the adoption of a corporate Electronic Document and Records Management system (which will assist the Council to meet its obligations with regard to the Freedom of Information Act and the Data Protection Act), the further development of the corporate Geographic Information system (GIS), the Land and



Property Gazetteer (LLPG) and further improvements to the Customer Relationship Management system.

- 2.4. The transformation agenda requires new ways of working and interaction with the public, and it is these requirements which act as the drivers for change and not the technology itself. The transformation agenda is leading to a culture change within the authority through changes in business processes that embrace new technology in order to meet both the demands of the agenda and the changing requirements of customers.
- 2.5. The Council recognises that considerable investment is required to meet these changes and is providing these resources, previously supported by Government grants under the IEG programme. Clear prioritisation of projects is being made to ensure that maximum benefit can be derived for as wide an audience as possible when changes are implemented.
- 2.6. To ensure that further savings can be achieved new technology continues to be considered and where cost effective is being implemented. A key project underway is the Virtualisation of a large number of servers and the implementation of a Storage Area Network solution. There are a number of other technology improvements being considered e.g. Thin Client which will to save on replacing our PC stock every five to six years.

### **3. OPERATIONAL PROPERTIES INVESTMENT STRATEGY**

- 3.1. The Council owns a number of properties that are used to carry out the business of the authority. These operational properties carry an asset valuation of £40m and they need periodic capital maintenance and improvement to preserve their value.
- 3.2. Detailed condition surveys were undertaken in 2007 of the Council's largest operational buildings in order to better understand the repairing liability and to be able to better plan a programme of repairs.
- 3.3. The 8 sites were; the Guildhall and West Wing, River Park and Meadowside Leisure Centres, Abbey House and Grounds, Westgate Museum, and City Offices, Chesil Street Multi Storey Car Park and The Brooks Underground Car Park.
- 3.4. The survey identified capital investment requirement over the five year planning period 2008-2013 of up to £6.36m (including Car Parks). The Council has made provision of approximately £1m for the highest priority work identified within the 2008/09 Capital Programme.
- 3.5. It is proposed that wherever possible the capital renovation /replacement works will be planned, procured, committed and carried out either in 2008/09 or 2009/10.
- 3.6. The results of the survey together with associated matters were reported to Cabinet in December 2007 (CAB 1559 refers).

#### Phase II Surveys

- 3.7. A budget of £70,000 is included in the 2008/09 budget to fund further non-housing property condition surveys where the Council has a repairing obligation. The sites under consideration are numerous, varied and include public conveniences, depots, cemetery lodges, offices, restaurants, museums, pavilions, estate shops and bridges.

- 3.8. Negotiations are currently being undertaken with appropriately experienced consultants to undertake these surveys. The results are anticipated later in 2008 subject to the successful appointment of consultants and access to carry out surveys etc.

### Phase III Surveys

- 3.9. Subsequent to the successful commission of surveys in 2008, it is likely that a third phase of survey work will be necessary in 2009 with corresponding funding from the Council's 2009/10 revenue budget. A report on the scope and cost of the next phase of surveys is proposed to correspond with the outcome of Phase II surveys later in 2008.

### Property Reserve

- 3.10. Following the reported financial outturn position for 2007/08 the Council approved the setting up of an earmarked reserve in the form of a Property Fund with £400,000 transferred from the Major Investment Reserve, in order to make some provision for the unfunded liabilities already identified.