

Winchester City Council

Capital Strategy 2003

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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 approximately 110,000 people. Of these about 30,000 live in the town itself and the remainder live in market towns and rural areas around the district.
- 2 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.
- 3 The district is within easy commuting distance from London and some of the major south coast conurbations and this gives rise to very low unemployment levels, currently at about 0.6%. There are 44,000 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 and naval establishments in the south.
- 4 In terms of scale the gross revenue expenditure budget for the Council in 2003/04, including the Housing Revenue Account (HRA), is £67.8million and its gross income budget is £48million. The current six year capital programme amounts to £41.4m.

Introduction

- 5 All local authorities have been charged with adopting 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) and a Housing Business Plan (which includes the Housing Investment Programme (HIP)). The Government's good practice guidelines have been observed in producing the City Council's plans and strategies. The strategy for 2003 is in similar format to that produced in 2002 but updated for new developments and any policy changes.
- 6 Until recently the main thrust of the City Council's capital programme largely revolved around the housing issues identified in the Housing Investment Programme. Since a formal capital strategy was adopted in 2001 wider issues of other service provision have been more clearly identified and financed in the capital programme.
- 7 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 emerging Community Strategy. Future capital programmes will be further influenced by developments in community engagement and the work of the Local Strategic Partnership.
- 8 The Council's commitment to best value is also an important consideration in formulating the capital strategy, especially where cross cutting issues are involved, and the capital elements of this work are reflected in the Best Value Performance Plan (BVPP). For example, the development of community facilities in the Guildhall (Bapsy Project) incorporates the recommendations in the Improvement Plan arising from a best value review of the Guildhall and consultations with the local community.

Key Capital Spending Objectives

- 9 In support of the key aims of the Corporate Strategy the priority is to invest in capital projects that:
 - (a) Promote a thriving local economy throughout the district,
 - (b) Promote a healthier, safer and more caring community,
 - (c) Protect and improve the natural and built environment for the benefit of present and future generations,

- (d) Encourage more varied cultural and sporting activities for all across the District.
- 10 The key factors for delivering these objectives are to:
- (a) Achieve the provision of more affordable accommodation within the district,
 - (b) Provide and facilitate the further provision of additional social, recreational and leisure facilities for the people of the district,
 - (c) Maintain and improve our existing asset base, including both property and non-property assets,
 - (d) Achieve the decent homes standard for all our local authority housing by the year 2010,
 - (e) Improve our environmental performance in accordance with the principles of LA21,
 - (f) Ensure that the principles of best value are applied in all capital provision.
- 11 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.
- 12 In determining capital investment the Council is keen to use the best practices in relation to procurement and construction practices. Although major construction projects are scarce in the capital programme, where they are included then best practice is followed. The project to rebuild a sheltered housing scheme at Makins Court embraced the Egan principles and upgrading of the Council's sewage treatment works is carried out 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 a lack of cost consciousness).
- 13 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 a healthy, competitive process which for the last five 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 have altered the balance of funding for social housing and made it even more imperative to ensure optimum use of scarce resources.

Capital Programme 2003/04

- 14 The Council's capital programme for the year 2003/04 is summarised below:

	£
Housing Revenue Account	4,570,000
Housing Renovation Grants	620,000
Social Housing Grants	180,000
Other Housing	250,000
Health	268,000
Transport & Environment	307,000
Community, Arts & Social	1,596,000
Property	2,493,000

ICT	<u>746,000</u>
Total approved programme	<u>£11,030,000</u>
15 Sources of funding for the above capital programme are:	
Major Repairs Allowance	3,944,000
Credit Approvals	869,000
Grants	495,000
Bequests	500,000
Capital Receipts	4,427,000
Other Reserves	530,000
Other sources	<u>265,000</u>
Total Funding	<u>£11,030,000</u>

Drawing up the Capital Programme

- 16 Following severe financial problems in the early 1990s the City Council has gradually rebuilt its capital programme. 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 severe 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 the community's aspirations effective capital planning will ensure best value in the use of the limited resources available.
- 17 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.
- 18 Using the approved capital programme, including the then current HIP submission, as a starting point a thorough review of the capital programme was carried out in autumn of 2000 by a representative officer group (Capital Programme and Assets Group (CPAG)) chaired by a senior member of staff. The group considered issues of priority, resources and funding and reported back to Cabinet in December 2000, with appropriate recommendations, which were fed into the budget process.
- 19 CPAG drew up a framework document setting out the methodology that is used by the Council to assess and categorise capital bids. This identifies which criteria are to be taken into account and how they are to be collated.
- 20 Each scheme within the programme is identified with a brief description of the works to be undertaken along with a realistic estimate of the total cost and running costs. The methodology used to arrive at the cost estimate is also clearly identified.
- 21 The programme is updated annually by the 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 slippage allowed from the previous year.
- 22 With regard to prioritisation, the Council has detailed forward plans for each major element of capital investment required. The Council is realistic about the speed at which those plans can be delivered in line with available resources. The decision in March 2002 to pay off all external debt and achieve debt free status has enabled resources from set-aside capital receipts to be recycled into the capital programme. This was most pertinent in respect of new social housing supply but also in the provision of social and community facilities throughout the district. 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 to rent as well as a range of community facilities on suitable sites held in the Housing Revenue Account.

Initiation and Approval of Capital Projects

- 23 All capital projects must be initiated by a sponsoring client officer (normally the relevant Director) and have a named project manager who has overall responsibility for bringing the project in on time and within budget.
- 24 Initiation and monitoring of capital items will be in accordance with limits set out in the current financial procedure rules.
- 25 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 Director in consultation, with the Director of Finance, and the scheme then approved by Cabinet and/or the appropriate committee.
- 26 All projects estimated to cost in excess of the limit set out in the current Financial Procedure Rules must have a feasibility report approved by Cabinet.

Performance Monitoring

- 27 CPAG monitors progress against the agreed capital programme and produces a quarterly report for the Corporate Management Team (CMT) and Cabinet. Financial performance against budget is the prime measure currently used but time targets and slippages are also monitored.
- 28 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 best value framework, measuring continuous improvement over time. An overall measure of performance to achieve 95% spend against the original capital programme was the target for 2002/03. Actual performance was 94.5% and a full report of the variance was given to Cabinet as part of the monitoring process (CAB662). The target for 2003/04 has again been set at 95%, but allowing for the fact that some projects are spread over more than one year the target is 95% spend on the rolling programme over a 3 year period.
- 29 The Principal Scrutiny Committee can call in any major capital project or programme for scrutiny at any time and have reviewed the Makins Court redevelopment scheme and the Sussex Street homeless hostel improvements in Winchester. They have also undertaken a review of capital projects management.
- 30 A post implementation review must be carried out six months after implementation for each major scheme approved. Findings must be reported to the appropriate Performance Improvement Committee. The post implementation review also informs the best value process, helping identify payback on investment of resources.

Resourcing the Capital Programme

- 31 The major sources of finance for capital projects are borrowing, capital receipts, grants, revenue contributions and reserves. Authorisation to spend on capital projects is constrained by the availability of credit approvals (from government), usable capital receipts, grants (government, lottery, etc) and contributions from revenue or reserves.
- 32 The current policy is to finance firstly from credit approvals where available, then from capital receipts, revenue and reserves. Funding of HRA capital schemes, other than sewage works (which are funded entirely from capital receipts) is primarily from Major Repairs Allowance (MRA), admissible credit approvals and revenue, subject to review when credit approvals are known.
- 33 Although some credit 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 usable capital receipts (arising mainly from the sale of council houses) 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.
- 34 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, referred to in paragraph 22 above, freed up set-aside

capital receipts to enhance the capital programme. However, current government proposals to pool all receipts from HRA sales into a national pool from 1st April 2004 will severely limit the City Council's ability to fund capital projects in future years, although the taper arrangements will give some relief for up to three years.

- 35 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.
- 36 Funding from other potential sources such as European funds, lottery funds and new Government initiatives such the Invest to Save budget have been explored by the CPAG and applications for funding made, although so far with limited success.
- 37 The use of Private Finance Initiative (PFI) funding has been considered by the Council and an 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.
- 38 Major Public/Private partnership funding has been a feature of outsourced contracts in recent years. The full vehicle fleet was replaced under a ten year contract for blue collar services with Serco Ltd, major enhancements were made to River Park Leisure Centre under a ten year management contract with DC Leisure Ltd and capital funding for enhancements to the Guildhall has been secured under a four year catering contract with Milburns Restaurants Ltd.

Partnership Working and Consultation

- 39 Partnership working underpins much of the Corporate Strategy. An emerging Local Strategic Partnership comprising local authorities, the local business community, voluntary bodies, the local military community, Primary Care Trust and the local education sector is helping the City Council develop its Community Strategy. The development and implementation of this is subject to ongoing discussions with other partners within the community. Once in place this will have a direct impact on the future capital programme.
- 40 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 fora (e.g. Chamber of Commerce and Town Centre Manager) and with other public bodies (Hampshire County Council, Primary Care Trust, Parish Councils). The Council also uses a Citizens' Panel and regular MORI polls. Feedback from these various sources, and from overview and scrutiny committees, informs the strategies and business plans produced by and for Members. Table 2.0 in the AMP details consultations relative to asset groups.
- 41 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.
- 42 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. On 1 May 2002 a more streamlined approach to managing the maintenance of Hampshire's roads was introduced. A Best Value review found that the structure of the old system - with both the County Council and some district councils undertaking a range of highway maintenance measures - could be improved. Staff working on highways at district councils transferred to the employment of Hampshire County Council, integrating all highway maintenance staff in Hampshire under the same management structure. The new system aims to be more flexible and improve opportunities for partnership working. A new countywide Customer Service System is replacing outdated paperwork with an electronic database. In the longer term there will be a single countywide telephone number, which will automatically route callers to their local Hampshire Highways office, where staff with knowledge of the local area can deal with enquiries.

- 43 Joint working with social housing providers is inherent in the strategy, both the provision of social housing grant to housing associations and the direct commissioning of joint provision sheltered housing at Makins Court with a housing association.
- 44 There is regular liaison with the health agencies and a joint project to relocate one of the family health practices in Winchester is currently being negotiated in conjunction with the Primary Care Trust.
- 45 In collaboration with the local Housing Needs Group and the Domestic Violence Forum the Council contributed £300,000 in 2001/02 from its social housing grant programme to the setting up of a domestic violence refuge for women in the district. The City Council worked in conjunction with a local housing association to complete this project.
- 46 Similarly, in a joint approach with a local housing group the City Council bid for funds from the Safer Communities Fund was successful and will help secure new homeless persons accommodation in the district.
- 47 Joint procurement of a new revenues and benefits system with a neighbouring district council was included in the capital programme and completed in 2001/02. Successful completion of this project has led to closer joint working and a project for web-enabled access to revenues systems is being developed jointly to go live in 2003.
- 48 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 that allows access for Parish Councils and local interest groups to funding for small local schemes that would not otherwise be undertaken.

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 best value 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

Performance Plan 2003
Corporate Strategy 2003 – 2006
Asset Management Plan 2002
Budget Book 2003/04
Housing Strategy 2003/06
HRA Business Plan 2002/03
Financial Strategy 2003/04 to 2007/08
Departmental Business Plans 2003
Various Best Value Review reports

Partnerships and Community Planning

The Council actively encourages input from the community and the following form the embryo local strategic partnership:

Hampshire County Council
Hampshire and Isle of Wight Police Authority
Hampshire Fire & Rescue Service
Primary Care Trust
Environment Agency
Winchester District Association of Parish Councils
Parish Councils
Council Tenants (TACT)
Local Military Establishments
Winchester and District Chamber of Commerce
Winchester Association for Community Action (WACA)
Citizens' Advice Bureau
Local Education and Learning Sector
Southern & South East Arts

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
MORI Polls
Local Fora

Feedback is considered by:

Cabinet
Overview and Scrutiny Committees
Corporate Management Team
Departmental Teams
Working Groups

Programme Area Service Investments

The capital strategy is informed by service strategies and business plans referred to in the body of the report. Extracts from the plans showing the key facets of investment strategy appertaining to these areas are summarised below.

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.

A. HOUSING INVESTMENT PROGRAMME (HIP) 2003/2006

1. INTRODUCTION

1.1 The Council's Housing Strategy, "Focussing on the Future", and its Housing Revenue Account Business Plan have been developed in line with the Guidance and information issued by Central Government on the single capital pot and housing business plans. Both the strategy and the HRA Business Plan are realistic about the likely resources available and give recognition to the fact that changes to HIP and the introduction of the Major Repairs Allowance (MRA) provide the authority with greater freedom to spend resources according to its priorities.

2. ELEMENTS WITHIN THE HIP

2.1 ENHANCEMENT

2.1.1 Informed by a comprehensive council house stock condition survey originally in 1988/89 (and regularly reviewed thereafter), a long term planned maintenance programme was devised and commenced in 1991/92. Resourced from a combination of both revenue and capital, (including contributions from the Council's development company), that plan was originally scheduled to end in March 2000. Due to financial constraints and competing priorities that original plan has had to be extended. This spend level is continuously being reviewed in the light of increasing financial constraint on the one hand yet increasing technically driven pressure to increase spending on the other.

2.1.2 The Council was aware that a comprehensive re-survey of the stock was necessary to inform the next long term planned maintenance programme, noting that there are now new pressing needs for investment in some elements. This survey is taking place during the summer of 2003 and the results anticipated in September.

2.1.3 With regard to future capital resources for enhancement, contribution from the Council's development company is anticipated to end during 2003/04. However, the introduction of the MRA has significantly improved the Council's ability to resource a reasonable planned maintenance and major repairs programme.

2.1.4 As at April 2003, the main components of the enhancement (planned maintenance) programme were:

a.	Re-roofing Works	£200,000
b.	Mini Modernisation (new kitchens & bathrooms)	£850,000
c.	Replacement Windows	£130,000
d.	Disabled Adaptations	£160,000
e.	Other miscellaneous Works/Major repairs	£1,435,000
f.	Central Heating Replacement	£200,000
g.	Boiler and Control Replacements	£300,000
	Total	£3,275,000

2.1.5 The strategically important phased refurbishment/redevelopment of the Makins Court Sheltered Housing Scheme was commenced in 2000/01 and was completed in 2002/03. In partnership with scheme residents, Social Services, Health, voluntary organisations and the Alresford community at large the Council has completed a "flagship" development to help meet both the current and long-term needs of older persons and others living in the community.

2.2 SEWAGE WORKS IMPROVEMENT

2.2.1 The Council has a long-term liability to maintain private (that is non-mains drainage connected) sewage treatment works held within the Housing Revenue Account. Priorities were comprehensively re-evaluated during 1992/93 and survey work undertaken at that time remains a reliable indicator of investment needs and priorities. Nevertheless, those priorities are re-evaluated at least annually as part of the Housing Investment Programme process.

2.2.2 The plan:

- Is realistic about the resources available;
- Is capable of being flexed to respond to new technical information becoming available;
- Is long-term with an end date dependent upon the extent to which resources can be identified;
- Is to seek the eventual adoption of all the Council's STWs by Southern Water Services.

2.3 PRIVATE SECTOR RENEWAL AND RENOVATION GRANTS

2.3.1 The Council's Private Sector and Renovation Grant strategy was subject to a comprehensive review by a Members/Officers Working Group and a revised Private Sector Housing Renewal Strategy will be adopted in July 2003. Changes to the Grants Policy embraces the flexibility provided by the Regulatory Reform (Housing Assistance) Order 2002 and are devised to target assistance to those in greatest need, to the elderly, vulnerable and disabled occupants. The Renewal strategy is wholly integrated with the Council's overall comprehensive Housing Strategy and makes an important contribution to a strategic range of initiatives including Care in the Community, Home adaptations, Energy Conservation, Empty Property strategy and Anti Poverty/Fuel poverty initiatives. The Strategy revision proposes the setting up of a joint local authority Home Improvement Agency in 2004/05.

2.3.2 The Strategy exercises the full range of discretion with the aim of meeting local identified needs and priorities. In fulfilling its objectives and delivering its services the Council proposes to fully meet its demand for mandatory Disabled Facilities Grants and where possible enhance the services it provides to disabled, elderly and vulnerable persons.

2.3.3 In the absence of a separate allocation for Private Sector Renewal the Council has allocated a total of £620,000 in 2003/04 and then £620,000 per annum over the next three years consisting of £450,000 and £170,000 for Disabled Facilities Grants and for discretionary Renovation Grants respectively.

2.3.4 The Council's revised private sector renewal strategy is based upon the data and recommendations reported in the Private Sector House Conditions and Energy Efficiency Survey 2001. The Survey results will be used to assist in better targeting of resources to contribute towards the Council's strategic objectives as well as its statutory duties.

2.4 LA SOCIAL HOUSING GRANT

2.4.1 The Council's housing enablement policies are designed to maximise resources into the district and to optimise their use. The provision of all affordable tenures is supported but the greatest demand in the area is for social rented accommodation. Enablement policies are comprehensive catering for all client groups, for all tenures, for all parts of the District.

2.4.2 When combined with a continuing overall reduction in the social housing rented stock because of Right to Buy and a recognition that owner occupation cannot grow substantially beyond its current level, a large volume of affordable housing will be required to meet housing needs. Those needs cannot be met unless a substantial Social Housing Grant (SHG) programme can be funded and maintained.

2.4.3 The Council in common with most Local Authorities has been using Local Authority Social Housing Grant (LASHG) as the cornerstone of its programme for the delivery of new affordable housing for rent in an undisputed area of high demand.

- 2.4.4 The former arrangements for LASHG made it possible for the Council to allocate resources to grant fund new build by Housing Associations then claim back the grant from the Housing Corporation.
- 2.4.5 Following attainment of a 'debt free' status, the Council's capacity to address the funding requirements of an adequate programme of new affordable homes was significantly improved.
- 2.4.6 As a 'debt free' authority the Council was not required to set aside capital receipts from Council house sales and has hitherto been able to spend the grant again (on other Corporate priorities) or simply set it aside.
- 2.4.7 With the abolition of LASHG with effect from 1 April 2003 and its proposed replacement with a system of straight grant payments either via the Local Authority or the Housing Corporation, coupled with the decisions to 'pool' 'Right to Buy' capital receipts nationally, 75% of the proceeds from sales to existing Council tenants mean the Council's previously agreed future new build programme will be severely curtailed.
- 2.4.8 Taken together, in Winchester's circumstances the reforms remove virtually all funding sources for new build at the local level unless schemes are supportable from internal resources, most likely capital receipts and borrowing approvals but without the cushion of LASHG from the Housing Corporation.
- 2.4.9 Given the competing corporate priorities it may be that such new build schemes will only be very limited in the future unless substantial capital receipts can be realised and not subject to the 'pooling' requirement, for example stock transfer and for a return to borrowing under the new Prudential regime.
- 2.4.10 As a result of the proposed changes, a revised enablement programme taking into account the Office of the Deputy Prime Ministers transitional arrangements as detailed in Annex 1 above
- 2.4.11 In the meantime, a Member Officer Working Party has been established to explore imaginative ways in which new build affordable homes can be funded in the future to address the District's housing needs.
- 2.4.12 The Council welcomes the publication of the Housing Corporation's Guidance on ADP if, as anticipated, it proposes that there will be a move away from the formulaic allocation of resources down to local authority areas. Proposing instead allocations be based on strategic assessment of priorities informed by Regional Housing Statements worked up by Government Offices and Corporation Regional Offices.
- 2.4.13 In the meantime, the Council continues talking to social housing partners on how best to develop the Council's overall enablement policies to optimise the opportunity presented. It is probable that some form of constructive competition amongst potential social housing providers will take place. This will include an evaluation of different proposals which takes in the wider community, social and economic issues which have key strategic interlinkages to Social Housing.
- 2.4.14 Additionally, the proposed Major Development Area (MDA) West of Waterlooville, which was within the South East Priority Area for Economic Regeneration as designated in RPG9 has, in keeping with Government thinking (Sustainable communities – Building for the Future), led to the creation of a partnership including Winchester and three of its neighbouring authorities, Havant, East Hampshire and Portsmouth City.
- 2.4.15 The creation of this South East Regional Partnership places the four districts in a strong position to take forward a strategy that links housing with employment growth, transport and service provision, thereby helping in the furtherance of the Government's sustainable communities agenda.
- 2.4.16 It is expected that the West of Waterlooville will provide some 2000 additional homes up to 2011 with a reserve of another 1000 new homes if required. More importantly, within this total evidence suggests 50% should be affordable housing with a significant proportion of this total being intermediate housing such as shared ownership and submarket rent and a further 20% intermediate market housing.

- 2.4.17 If these volumes are to be provided to meet the levels required in support of the Regional Housing Strategy it is vital that financial resources are in place to support this provision.
- 2.4.18 The Council, in conjunction with its partners, would expect a guarantee of financial support for what it considers authorities at the forefront of the Government's Sub Regional Agenda from the Single Regional Housing pot.

2.5 LAND PURCHASE

- 2.5.1 The land purchase policy is designed to work within the 'in and out' regulations. It was originally designed to assist in securing scarce and expensive developable land opportunities with the Council having the flexibility to purchase at open market prices outside of the Total Cost Indicator limitations for rapid onward transmission of the land, often at less than best consideration to Social Housing Landlords. The policy may provide an option in terms of securing future opportunities to provide social housing, for example where Social Housing Grant is not immediately available, but where PPG3 applies and a developer is making progress towards a start on site.
- 2.5.2 The recent release of large scale sites within the District Local Plan, and the creation of future Major Development Areas as a result of the County Structure Plan means that PPG3 will apply to a majority of development sites within the district over the long term. No budgetary provision is shown within the capital programme as the Council's reserve of usable capital receipts is called upon to finance any land purchase. The net cost to the Council is the 'gap' between purchase and sale price (along with any small loss of investment income).

B. SOCIAL & CULTURAL INVESTMENT STRATEGY 2002/2005

1 INTRODUCTION

- 1.1 The strategy is included in the Community Services Business Plan 2003/04. The strategy is realistic about the likely resources available and gives recognition to the fact that competing priorities have to be balanced.

2 ELEMENTS WITHIN THE STRATEGY

2.1 ARTS AND COMMUNITY

- 2.1.1 As part of its scheme of grant aid to community organisations, the Community Services Department recommends to Cabinet on an annual basis financial support for local capital schemes that meet the Corporate Strategy criteria. Most schemes are for parish buildings with partnership funding coming from the Council. The types of work range from new facilities and extensions to disabled access modifications. A budget of £50,000 exists in the programme on an on-going basis with additional funds met from revenue as required. The Cabinet meeting is in the early part of the year to decide on grants for the forthcoming financial year.
- 2.1.2 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 interest this amount is now calculated to be worth approximately £1million. The Council's range of options is severely constrained by the terms of the bequest but, following public consultation and research by consultants, a strategy for its use has been agreed, and a technical feasibility study has been commissioned before final decisions about the project parameters are confirmed.

2.2 SPORT AND RECREATION

- 2.2.1 As part of an on-going programme, there is provision in each year for works to children's play areas, which will enable refurbishment and replacement of the existing equipment. Regular surveys of existing equipment are carried out to ensure that user safety is maintained. If equipment has become unserviceable or inappropriate it is either replaced or repaired. A budget of £50,000 exists in the programme and would normally facilitate work to two play areas in any one financial year. Close liaison is maintained with parish councils to advise and assist them in providing play and sport facilities on parish recreation grounds.

- 2.2.2 As part of the City Council's commitment to improve sport and recreation facilities in Winchester and the Southern Parishes, a total provision of £735,000 is included in the capital programme to assist with providing such facilities. Following a recreation needs assessment proposals are being consulted on. And joint provision of facilities with a local school is currently under discussion.
- 2.2.3 After the exceptional rainfall during the winter of 2001 it is necessary to make improvements to the waterways that run through the district to alleviate the potential threat in future years.
- 2.2.4 River Park Leisure Centre is a multi purpose leisure centre with swimming pool, which requires continual maintenance of the fabric of the building as well as its mechanical and electrical systems. A schedule for these works is reflected in the capital programme.

2.3 MUSEUMS

- 2.3.1 Following a major refurbishment of the City Museum the main area of investment arises from the archaeological dig at Hyde, where proposals were drawn up to mark out the site of the old church and provide a garden for visitors. The first phase of the project has been completed, aided by part funding from local residents and interested parties.

C INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) INVESTMENT STRATEGY

- 1.1 The ICT Strategy provides the Council with ICT policy and investment guidance in line with the Council's business objectives. In particular it provides a framework for the Council's response to the Government's modernising agenda, and will help the Council meet the Government's targets for 2005 for electronic service delivery. A key document in support of the strategy is the IEG2 statement that sets out how the Council will achieve the 2005 target.
- 1.2 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.
- 1.3 The strategy seeks to support 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 Management System (EDMS), a corporate Geographic Information System (GIS) and a Land and Property Gazetteer (LLPG). These corporate projects are currently well in hand, with the LLPG nearing completion and the other two in the first phases of implementation. By linking other systems into these information will be shared across the Council, as well as with other systems nationally.
- 1.4 The modernisation agenda will require new ways of working and interaction with the public, and it will be these requirements which will act as the drivers for change and not the technology in itself. This will lead to changes in business processes that embrace new technology in order to achieve the aims of the strategy, and to provide the services and access to services that customers are demanding. The Council recognises that the changes needed will require considerable investment and, as such, competing demands on budgets will mean a clear prioritisation of projects to ensure that maximum benefit is derived for as wide an audience as possible when changes are made.