



Capital Strategy

2006 - 2007

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1. INTRODUCTION

- 1.1 The District of Kennet covers 370 square miles of some of the most attractive countryside in England and with a population of 79,410, is one of the most sparsely populated districts on England,
- 1.2 The district includes in the south, Salisbury Plain and to the north the Marlborough Downs. Almost two-thirds of the district lies in the North Wessex Downs area of Outstanding Beauty. There are over 70 designated conservation areas and more than 4,500 listed buildings. In addition, the Avebury area and some of its surrounds have been designated as part of the Avebury and Stonehenge World Heritage Site.
- 1.3 In 1995, the authority transferred its housing stock under a LSVT, to Sarsen Housing Association. From the £65m received, the Council repaid its debt, paid the Government levy, which left some £45m to invest. At that time the decision was taken to invest the remaining receipts in affordable housing within the district.
- 1.4 Kennet faces the challenge of meeting the competing needs of over 75,000 residents (across some 80 parishes) and the economic development needs of the district, whilst having regard to the Council's major cross-cutting themes and objectives (Annex B). The authority is committed to the ongoing review and improvement of its objectives and work processes through the four yearly revision of the Corporate Strategy and through the implementation of the Best Value process. In the area of capital expenditure ,this will also be achieved by implementing the Action Plan at Annex C.
- 1.5 Key features of Kennet's Capital Strategy are the need to create affordable housing throughout the 80 parishes to promote sustainable communities within the District and to achieve service improvements, for example through information technology such as CRM.
- 1.6 No capital strategy can work without good partnership arrangements. Within Kennet we are fortunate to already have some well established partnerships whose work will be key to the implementation of the capital strategy. The Devizes and Tidworth community areas have already been successful in securing pilot status for some potential funding under the regional development agencies "market and coastal towns" initiative. In addition, the Wiltshire Customer First Partnership has been critical to the successful delivery of service improvements through the call centre.
- 1.7 Special attention has to be paid to the selection, management and monitoring of capital projects. "Responsible Bidding" is the key concept underpinning this strategy. This means that the Council will only bid for funds, which support the achievement of the Council's corporate objectives and priorities.
- 1.8 The Capital Strategy has been incorporated into the Council's Corporate Strategy and Best Value Performance Plan.

2. CAPITAL REQUIREMENTS AND RESOURCES

Key Aspects and Objectives of Capital Expenditure

- 2.1 The key capital objectives and areas for capital investment are outlined below¹:-
- **Housing** – to work to provide sufficient good quality housing to meet the full range of needs within the local communities. The Council has approved a Housing Strategy for 2004-2008. A "toolkit" of measures have been agreed with the aim of providing 400 new affordable homes. This includes attracting social housing grant and the direct investment in housing provision. In addition, the Council invests in the private sector housing market through Disabled Facilities Grants and other forms of housing renewal assistance.
 - **Regeneration** – to work with partners to improve the physical environment and to regenerate the economic viability of the town centres. An example of a current scheme is the Devizes Northgate Development site, which hopes to bring additional retail, housing and commercial facilities to the town centre, through a partnership with Sarsen Housing Association.

¹ As Outlined in the Council's Corporate Strategy and Best Value Performance Plan for 2005/06

- **Leisure** – one of Kennet's key priorities is the development of strong, safe and healthy communities and to continue to support and provide leisure and recreational opportunities. To reflect this, the Council is committed to a significant programme of capital investment in both its Devizes and Marlborough Leisure Centres.
- **Crime and Disorder** – to work in partnership with the crime and disorder partnership to reduce crime levels and the fear of crime within the District.
- **Improving Services** – to develop and enhance processes to support continuous improvement and provide equitable services. This has resulted in and will continue to attract significant investment in IT and Kennet, in partnership with the other Wiltshire authorities, have worked successfully, in partnership, to implement new CRM technologies.
- **Household Recycling** – to increase the level of recycling within the district, in response to the targets of Wiltshire County Council's Public Service Agreement. The Council has attracted significant external funding from both central government and Wiltshire County Council to support these improvements.

Revenue Implications of Capital Investment

- 2.2 The Council's policy has been to use the investment income receipts from the investment of the £45m received from the LSVT, to provide additional revenue services to Kennet residents via the general fund. Interest rates have fallen dramatically over the past few years and consequently the authority faces great pressure to reduce its general fund spending. As a result, the Council has embarked on a review to refocus and reprioritise council spending to achieve sustainable council revenue budgets in the medium to long term, which has resulted in the current Medium Term Financial Strategy 2005-06 to 2008/09.
- 2.3 Clearly this means that revenue funding for capital schemes is limited both in terms of initial scheme costs and meeting on-going running costs.
- 2.4 As a consequence, particular attention is paid to on-going revenue costs stemming from capital projects. This can mean that projects whose initial capital costs are affordable do not proceed because the council has insufficient revenue resources to fund them.

The Framework for Managing and Monitoring the Capital Programme

- 2.5 The Council is committed to managing and controlling its capital expenditure. Further enhancements to the system are planned and outlined in Annex C.
- 2.6 Annex C highlights the considerable progress that has been achieved against the action plan to date and the planned improvements for the future. The Council has established a capital programme peer review assessment group, headed by the Finance Services Manager, which develops the capital programme (Annex D). The group is also responsible for monitoring the performance and progress of the capital programme on a regular basis (Annex E). Key managers attend this with designated responsibility for each capital scheme.
- 2.7 The process of developing the Capital Programme has been developed to reflect the requirements of the Prudential Code of Practice and also the requirements of the Local Authority (Capital Finance and Accounting)(England) Regulations 2003.
- 2.8 The monitoring will also be effective in identifying additional capital resources and redirecting other resources during the year within the capital programme. In addition, a corporate working group will be developed to identify possible funding opportunities available to the district.

Additional Capital Resources – Responsible Bidding & the Prudential Code

- 2.9 The Council has limited capital resources to devote to general fund capital projects. The Council therefore seeks to add to these resources by bidding for funds from a range of potential sources. In addition, the authority seeks to maximise its use of S.106 agreements to achieve Capital Investment.

- 2.10 The Council has embraced the concept of Responsible Bidding, which means that the Council will only pursue funding opportunities where they allow it to achieve the strategic objectives outlined within the council's corporate strategy (outlined elsewhere in this document). Both members and officers have welcomed this approach.
- 2.11 All bids for funding are either expected to be consistent with developing schemes within the Council's existing capital programme or directed at key council aims and objectives. The core criteria for the assessment are set out in Annex F and summarised below:-
- **Sustainability** – whether the scheme costs and the level of future support required are realistic
 - **Additional Funding** - Potential to draw down external funds and enhance Council investment
 - **Feasibility** – whether the scheme is realistic and achievable
 - **Strategic Importance** - Links with Council, regional and national objectives
 - **Service Delivery Plans** – links to the Service Delivery Plans
- 2.12 The Council takes into account these appraisals when deciding which schemes should be included within the Council's capital programme.
- 2.13 The Council has adopted the requirements of the Prudential Code and, as part of the development of the Capital Programme, produces Prudential Indicators. The Authority has regard to these when considering its borrowing requirements, if any, in order to finance the approved Capital Programme.

Procurement - Existing and proposed arrangements

- 2.14 Council Standing Orders and Financial Regulations require contracts to be awarded following fair and open competition except in exceptional urgent circumstances. The Council has in place a council-wide procurement strategy, which was adopted in September 2004.
- 2.15 At present, the Authority tenders all contract work, using a select list of tenderers, which have been selected and assessed.
- 2.16 The Council recognises the relevance of the 'Egan' principles in its procurement arrangements. These focus on partnership working, the pursuit of quality and the satisfaction of customer needs, in essence, the application of Best Value principles to the procurement process. However, the key issue is how these principles can be followed while maintaining probity in the use of public funds.
- 2.17 The Council has adopted a Local Agenda 21 policy, "Greening of Kennet District Council", which is intended to ensure, that so far as is possible, the day-to-day operations of the Council are carried out in a sustainable manner. This includes ensuring that environmental considerations are integrated into all the activities of the authority, including procurement.

Approach to PPP/PFI

- 2.18 The Council is keen to explore all avenues for generating investment in delivering its services.
- 2.19 The Council recognises that it needs to generate considerable investment to implement the e-government agenda, which cannot be met cost-effectively by the council developing services on its own. Accordingly, the council is actively developing and seeking partnerships with neighbouring councils to embrace the opportunities presented by e-government e.g. the Wiltshire Customer First Partnership.
- 2.20 The Council is already working with private sector partners in managing its assets (Dreweatte Neate). In particular, the authority has worked with the MOD and Sarsen Housing Association (and their contractors) to generate capital investment. A recent example is the joint venture between the authority and the MOD to develop the Tidworth Leisure Centre.

Influencing Others

- 2.21 An important part of the Council's role is to act as an 'advocate' for the people of Kennet in securing new capital investment in the district. This role takes various forms (e.g. lobbying, facilitating, directing etc.) and is initiated through the Council's plans and strategies, such as the Kennet Local Plan, or through our contribution to the plans and strategies of partner organisations.

- 2.22 The Council has a long tradition of working with housing associations and other partners to secure the provision of new or enhanced facilities for the people of Kennet. Examples include working with housing associations and developers to secure affordable housing throughout the district and the MOD to develop the Tidworth Leisure Centre. This is further reflected in the Council's Corporate Strategy 2004 – 2008, which actively promotes partnership working to deliver its objectives.
- 2.23 Section 3 provides other examples of how the Council has influenced others by working in partnership to generate capital investment in Kennet.

3 LINKS TO PARTNERS

- 3.1 The Council is committed to working with a range of partners in the provision of facilities to enhance the quality of life for those who live and work in the district. Some examples of partnerships are listed below.
- **Crime & Disorder Partnership** (set up to develop and implement the Crime and Disorder Reduction Strategy)
 - **Kennet Housing Partnership** – promotes consultation with housing associations operating within the district.
 - **Energy Efficiency Partnerships** – set up in partnership with other Wiltshire District.
 - **Warm Hearted Homes & Affordable Warmth** – both initiatives to obtain funding for the Wiltshire area to fund energy efficiency work.
 - **Devizes School** (for the joint investment in leisure facilities at Devizes Leisure Centre)
 - **Devizes Local Strategic Partnership** – has obtained funding under the “market & coastal towns initiative”.
 - **Councils' & RDA** – with the other Council's operating in the Devizes area and the RDA, the authority is working towards the redevelopment of the town centre.
 - **Local Strategic Partnerships** – the Council is committed to working with the LSP's within the district to secure external funding for community projects.
 - **Wiltshire Waste Partnership** – promotes waste management, waste minimisation and recycling within the County
 - **Wiltshire Customer First Partnership** – set up to implement customer call centres – now extended to jointly review service provision in response to the efficiency agenda.

Links to Capital Investment

- 3.2 A number of examples of partnership working have already been highlighted, but there are many more. For example, partnership working also underpins the Council's capital investment in housing:-
- use of planning agreements and commuted sums to support work by Registered Social Landlord to provide new affordable homes and bring empty homes back into use.
 - delivery of the private sector grants programme in partnership with Kennet Care and Repair,
 - work with Wiltshire County Council Social Services and Kennet Care and Repair to support people with disabilities to live in their own homes.

4. CONSULTATION

Community Planning

- 4.1 The Council recognises the strategic importance of developing a community strategy for Kennet. This has been achieved through the development of Community Plans for the four main community areas within the District of Devizes, Marlborough, Pewsey and Tidworth. This has been achieved following consultation with local residents, other stakeholders and partners via the Local Strategic Partnerships to produce documents that set out the aims and aspirations of the communities of Kennet.
- 4.2 The Council also has a number of core aims and objectives, which have been developed in consultation with the public. These are set out in Annex B. As part of the Community Planning process these will be reviewed and updated, as per the Corporate Strategy for 2004 to 2008.

Consultation Strategy

- 4.3 The Council recognises that two-way communication with Stakeholders is essential, rather than one-way consultation. The Council therefore wishes to encourage and facilitate participation by all sectors of the community in shaping the future of Kennet's Policies and Services. Consultation should be a participative process and involve feedback.
- 4.4 To this end the Council will co-ordinate its consultation exercises; investigate the development of a standing body for consultation and develop a unified consultation database. We will look into the following issues²:
- Who are the Stakeholders who have a significant interest in the Service?
 - How will we involve employees in consultation for the process of continuous improvement?
 - Who does the Council consult at present? Is this appropriate?
 - Who should we consult but do not?
 - We will be looking to ensure that the consultation process will result in meaningful data that can be translated into actions.
 - Is the method of consultation appropriate for the people who are being consulted?
 - In addition to "traditional" written consultation have you considered using the People's Voice, a User Group or other participative method?"
- 4.5 Because there is no single "right answer" to involving the community, the authority has identified a range of consultation techniques that managers can use to assist them in consulting on their services. Responsibility for consultation has been split between that done at a service level and corporate level. In addition, the authority has established a citizen's panel, "People's Choice" in partnership with the other authorities in Wiltshire. This consultation process feeds into the service development process, which in turn informs the Capital programme and strategy through the annual service plan process.

5. LINKS TO OTHER STRATEGIES AND PLANS

- 5.1 Clearly the Capital Strategy links closely to the Council's Asset Management Plan. The Council has separate working groups for each strategy, although a number of key officers attend both groups. This enables consistency to be maintained between the two documents.
- 5.2 The Asset Management Plan identifies the need for Capital Spending on maintaining and updating existing Council Assets. As it develops it will play a key role in identifying potential surplus assets for disposal to generate receipts to fund the Capital Strategy.
- 5.3 Overall, the Council's Strategy and Corporate Plan will be driven by the Community Strategy developed through the LSP's and in consultation with the local community. Within the overall framework, there will be a clear hierarchy of strategies and plans to ensure that the authority meets its corporate goals. These include service strategies for Housing, Leisure and Community Safety and many more³. These are brought together in the Council's Best Value Performance Plan.
- 5.4 In addition, the following are examples of other links to strategies and plans.
- IEG Statement – identifies the Council's intended investment in IT.
 - HiP – outlines the authorities planned investment programme in affordable social housing and investment in the private sector housing market through improvement grants.
 - Public Service Agreement with Wiltshire County Council – e.g. targets set for recycling and passenger transport throughout the district and county.
 - Local Transport Plan – e.g. planned investment in footpaths and cycle routes in the district.
 - Local Agenda 21 and "Greening of Kennet" policy.
 - BVPP – outlines the authority's corporate improvement plans.
 - Medium Term Financial Strategy – outlines the Council's financial plan over a 5 year period.
 - Housing Strategy – outlines the Affordable Housing Strategy
 - Private Sector Housing Renewal Policy
 - Efficiencies Strategy – sets out the Council strategy for achieving the Efficiency Agenda

² Adopted by the Council in its Best Value Performance Plan 2000/01.

³ Copies of the Council's strategies can be found at our website www.kennet.gov.uk

6. PERFORMANCE MEASUREMENT & INNOVATION

Corporate Performance Management

6.1 The authority has developed a corporate approach to performance management. The aim is to produce a performance management framework that drives continuous improvement in service delivery .

6.2 Performance Management and Measurement will result in:

- Integration of Performance Management and the Council's business management activities
- Improved cohesion between Council activities
- Cross-Council alignment of strategies with the milestones and targets for achieving key contributing objectives
- Enhanced decision-making because managers have access to information about the combined effect of their actions
- Forward-looking focus for planning

Performance Management

6.3 As well as adopting Audit Commission Indicators, the Council has developed a range of local measures and benchmarking techniques to enable continuous improvement.

6.4 In relation to property, the authority recognises the importance of developing and implementing performance indicators to promote service improvement. In relation to construction, the authority acknowledges the role that the "Egan" principles can play.

6.5 In relation to property, the Council will be developing a range of revised local performance indicators, in line with the requirements of the Use of Resources criteria.

6.6 The authority has benchmarked its performance with comparator authorities. To date, the authority has been involved in a benchmarking exercise to review best practice in capital bidding procedures, where it was identified that the Council was in line with other authority best practice processes.

7. CROSS-CUTTING ACTIVITY

7.1 Partnership working has, and will continue to be, at the core of dealing with "cross-cutting" activity within the district. The following are examples of some of those activities.

Regeneration/Sustainable Development

7.2 The authority has worked extensively with private and public sector partners to securing the redevelopment of the Devizes town centre and regeneration of the local community that will bring. This has included private developers, the County and Town Councils and most recently the Regional Development Agency.

7.3 The Council has provided considerable support in the on going regeneration activity in Tidworth, including:

- Partnership working with the MOD to build and run the Tidworth Leisure Centre;
- Support with the County Council to deliver SRB projects in the Town;

E-Government

7.4 As part of e-government the Council has been keen to explore other ways to generate investment in IT to improve citizen contact at a price that the Council can afford. As a District Council the cost of new computer systems is often prohibitive but at the same time it is hard to move forward with the e-government agenda without them. The Council has and continues to achieve this through the Wiltshire Customer First Partnership.

- 7.5 The Council has been awarded Pathfinder status in partnership with the other authorities of Wiltshire to investigate ways of developing Community Strategies and e-Government to meet citizens needs in a rural county and modern urban area

Disposal Strategy

- 7.6 The Council recognises the need to dispose of surplus land to help it to achieve some of its capital aspirations that are set out within this plan. The Asset Management Plan identifies potential disposal opportunities in more detail. The Council has already marketed some land successfully with disposal nearing completion.
- 7.7 While the Council is keen to explore disposal opportunities, capital resources are limited and could only provide short/medium term support to Council capital projects.

8. SUMMARY AND CONCLUSIONS

- 8.1 The Council has now put many of the building blocks in place to manage and monitor its capital programme effectively. The updated action plan demonstrates a good record of delivery against the actions that the Council has set for itself.
- 8.2 The Council recognises that it relies heavily on other partners to deliver meaningful capital projects. It has a good record of working in partnership with other organisations, which it intends to continue and expand as a means of implementing new Council objectives.
- 8.3 With limited resources, it is essential that these are used efficiently and effectively and provide what the residents of Kennet District Council want. With this in mind the Council will pay particular attention during the next year to further developing its capital monitoring programme. This is included within the Action Plan at Annex C.
- 8.4 Progress on implementing the Action Plan will be reported to the Council during the year and as with this year a final report on progress against the Action plan will be included in next year's capital strategy document.

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of this leaflet or a copy in an alternate language,
please contact Financial Services at Kennet District Council (01380
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CORPORATE STRATEGY

KEEPING KENNET SPECIAL

20 Year Vision

The Council will maintain sustainable communities; provide a clean, healthy and safe environment; and good access to services. The Council will encourage the participation of residents in decisions about their communities.

To achieve this Kennet District Council will:

- Embrace the role of community leadership. Represent the interests of residents and use our influence and resources to enable the provision of services and facilities;
- Use the community planning process to lead our work and work with and through the local strategic partnerships (LSP's);
- Work in partnership with community groups, the voluntary and private sectors, and other agencies (such as Wiltshire County Council, Wiltshire Constabulary, Kennet and North Wiltshire Primary Care Trust and the parish and town councils);
- Ensure that Members and senior officers put in place proper arrangements for the governance of the Authority's affairs and the stewardship of resources at its disposal.
- Deliver our own services to the highest possible level within the resources available, achieving economy, efficiency and effectiveness;
- Be customer focused in the design and delivery of services, in particular to use the Implementing e-Government Statement process, to improve citizen contact;
- Be committed to enabling the public to have ease of access to services, provided directly by the Council and by other agencies. This is in terms of face to face access, electronic access, and access to public transport. Communication between the Council and the Public is seen as being of utmost importance and the Council will work to improve the two-way communication.
- Enable the elected Members to work for the communities that they serve in an effective and efficient way. They are in a position to promote the Council and its aims and values to the community by the provision of help, advice and access to services. They are also in a position to present and promote the aspirations of the communities of Kennet to the Council;
- Endeavour to support staff to be enthusiastic, energetic and dynamic. They will be encouraged through good training and development opportunities, employee friendly policies and good working environment, intended to enable the Council to recruit and retain quality staff.

KEY PRIORITIES

In order to achieve its vision, the Council has four key priorities that it will be addressing over the coming four years:

- **Community Leadership** – means informing, listening, assisting, influencing and leading. Kennet is committed to working in partnership to achieve this.
- **Supporting Strong, Safe Communities** – developing our communities to give people the opportunity to lead lives that are safe, healthy and fulfilling, acknowledging the diverse needs of the local population.
- **Stewardship of the Environment** – we will work with and enable our partners to care for and manage our built, natural, historic and cultural environment ensuring an inheritance for future generations that protects and enhances their quality of life.
- **Improving Services** – improving services by matching resources to provide, or facilitate, the services that the stakeholders have identified as being most important to them.

KENNET COMMUNITY STRATEGY

10 Year Vision

In the next 10 years, to create an integrated, fair and thriving community blending a living and working countryside with the towns, villages and other communities of the District through accessibility to services, the participation of local people in decisions affecting their lives and the maintenance of a pleasant environment.

The four community areas articulate this vision for each of the community areas. There are 3 priorities for the Kennet Community and within Wiltshire, 8 themes have been developed around which service planning and partnership delivery can take place.

Key Priorities & Themes

Priority One – Accessible Services

Themes

- Economy
- Transport

Priority Two – Community Participation

Themes

- Education and Life Long Learning
- Culture
- Social Care/Health

Priority Three – Maintaining a Pleasant Community

Themes

- Environment
- Housing/Built Environment
- Crime/Community Safety