

SOUTH BUCKS DISTRICT COUNCIL CAPITAL STRATEGY

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Frequency of Review	Bi-Annual
Department Responsible	Finance

1) Linkages with other Strategies and Plans

The Council's Capital Strategy is part of the Authority's overall corporate process for working towards the continual improvement of services in response to the expressed views of the local community. The processes and components of the strategy are all co-ordinated and directed to achieve this objective.

The Capital Strategy is one part of the Authority's overall financial strategy. The objective of overall financial strategy is to align the Council's financial resources to the priorities of the Corporate Plan in a realistic manner taking into account risks and opportunities.

The Capital Strategy is firmly grounded in the Council's clearly stated priorities that run through its Corporate Plan.

Council's Corporate Plan Aims	
Aim 1	Sustainable and clean environment
Aim 2	Thriving economy
Aim 3	Safe communities - reducing crime and fear of crime
Aim 4	Improve health and well-being for all
Aim 5	Cohesive communities - developing a sense of community

The pursuit of these priorities requires in many instances, the Council to work in partnership with other organisations, and given the limitations on resources places a strong emphasis on prioritising projects, and efficient and effective delivery. By identifying funding the Authority puts itself in a position to show community leadership and to influence its partners, especially the parish councils and other local groups, in the developments they undertake to address such District wide issues as community safety and sustainability.

2) Development of the Capital Strategy

The capital strategy first and foremost develops as part of the overall financial strategy for the Authority which clearly recognises the inter-relationship of capital, revenue and treasury management in producing plans that are affordable and sustainable.

Within this overall context the development of the programme is initiated by Senior Managers in consultation with Members. They identify what investment is required to take forward the Council's priorities based on the Corporate Plan. Proposals are submitted in a set format that enables them to be assessed against the following criteria:

- How they address the Council's key corporate priorities.
- Whether they will lead to improvements in the Council's Performance.
- Whether they reflect the outcomes of consultations or surveys undertaken.

- Whether they relate to statutory obligations on the Authority.
- Whether they will be able to access external funding.
- How they work with other agencies or organisations.
- Whether they will lead to cost reductions or efficiency improvements.

Each scheme is also given a priority rating to assist with the review of the capital programme, particularly the evaluation of capital growth bids. By categorising schemes in order of priority it is easier to ensure that funding is provided to the most important schemes.

Score	Description
*****	The Authority is statutorily required to carry out this investment or it is required to meet health and safety requirements.
****	Without this investment the Authority will not be able to maintain its current service / income levels.
***	Proposal will significantly contribute to at least one corporate plan item or is an invest to save proposal (with a business case which demonstrates a clear benefit).
**	Investment will contribute to at least one significant service plan item.
*	Other projects.

For proposals that are concerned with asset maintenance the assessment uses a prioritisation process appropriate to this particular area, based on the professional judgements of the appropriate officers. For example it will highlight as top priority any mandatory health & safety requirement.

The outcome of the assessment is then presented to Members to bring in their views of the proposals and priorities. This is done in conjunction with consideration of the revenue budget to re-enforce the integrated approach to finance in the Authority.

The revenue implications of capital spending are clearly identified for each scheme by identifying the revenue implications in terms of running costs and loss of income

3) Constraints

There are a number of issues that underpin the strategy that are determined by the particular circumstances of South Bucks. They include the following:

- South Bucks is a debt free authority and intends to retain that status, unless future legislation makes this no longer an advantageous position for the Council to follow.
- South Bucks intends to maintain and enhance the Council's asset base through a planned maintenance programme funded by the capital programme.
- South Bucks wishes to fund improvements and disabled facility grants at the level that results from the Government's assessment of the Council's housing strategy.
- South Bucks wishes to actively explore sources of external funding in order to maximise the benefit of the use of the Council's own resources.

The ending of local authority social housing grant a number of years ago significantly impacted on the Council's ability to directly affect the level of affordable housing in the District. Its role is now more indirect, by enabling within the parameters of its planning policies, housing associations to meet need.

In addition as a debt free Authority with significant capital receipts, interest earning form a significant part of the Council's revenue budget. The Authority therefore has a target to ensure that investment income does not fall below 15% of net service expenditure. This has a knock on implication for the capital programme where the level of usable capital receipts is planned not to be less than £20m, thus acting as a constraint on the amount of capital expenditure that the Authority can undertake.

4) Consultation & Stakeholder Involvement

Consultation and involvement of residents and users in shaping decisions and plans is a very strong component of the South Bucks Capital Strategy.

The Authority undertakes consultation by a variety of means. There is consultation on an annual basis with all households through questionnaires distributed with the Authority's own information publication (South Bucks Report) that is delivered to all properties three times a year. In addition the District uses its existing links with parish councils to seek their views on plans and proposals. Targeted consultation is also carried out, an example of which is the regular surveying of users of the leisure facilities to seek their views on areas for improvement and development. The bi-annual Place survey provides useful information about local community views on services and priorities. Finally the District uses other consultation information that may have been commissioned by other bodies such as the County, to draw out any points of relevance for its plans.

South Bucks has a strong commitment to involving where practical the beneficiaries of any investment in the initial stages of designing schemes. The main example of this is the programme of environmental improvements. These improvements which are focused on specific town/village areas, heavily involve local residents via residents associations, parish councils and other voluntary groups. The experience of following this approach has been positive with the quality of the final proposal being enhanced as a result and the projects become ones that the local communities value.

5) Main Elements of Capital Programme

The capital programme flowing from the Council's priorities breaks down into the following main elements.

Community safety. This is a very high local priority, and features prominently in any consultation undertaken with residents. To help address these concerns the Authority funds projects intended to reduce crime and the fear of crime in the District. The programme complements work that is being undertaken as part of the South Bucks Partnership (SBP) where one of the targets is to reduce crime. The programme is largely based on the introduction of CCTV cameras throughout the District. The scheme involves joint working between parishes, other local District Councils and the Police.

Environmental improvements. This is an annual programme to fund projects for improvement to areas of towns and villages. The works can include improvements to street lighting, landscaping or enhancing open space areas. The projects are suggested by local groups and once project(s) have been selected for the programme they are taken forward in collaboration with the local groups who are involved in design and layout issues. These projects often give rise to partnership funding with parish councils, and in some instances the county where they may tie into the priorities of say the highways programme.

Community development grants. This programme funds grants applications from local communities and includes improvements to village halls and play areas. These two areas had been identified in conjunction with parish councils as being important local issues which relate closely to the corporate aim of Cohesive communities. There is an established application process for bids against the funds set aside for these purposes.

Enabling improvement to the private housing in the District. The Council funds a programme of home improvement grants and disabled facility grants. The programme is framed in the context of the Council's private sector renewal strategy.

Investment in ICT to modernise and increase efficiency of services. The Council is strongly committed to investing in new technology to improve and modernise services, and improve value for money.

The maintenance of its property assets. South Bucks does not have a large property asset base. The main assets are the community sports and leisure facilities. The Authority has developed a planned maintenance and enhancement programme for these facilities and its other properties as part of its Asset Management Plan.

The funding of routine repairs and maintenance is, in accordance with accounting rules, funded via the Council's revenue budget. Enhancements and structural works are built into the capital programme based on a rolling programme.

6) Monitoring and Management of the Capital Strategy

Monitoring and management of the strategy are key tasks and these are undertaken in the context of the corporate framework, part of which links to the Authority's overall performance management system.

The first element in the management of the programme is that all major projects initially have to be supported by a business case in accordance with the Council's project management methodology. The importance of the business case amongst other things is to highlight risks and dependencies for projects that may affect their cost and delivery.

The project management approach also requires projects to identify outcomes or outputs so that the Authority can plan for how to measure the projects success, and where relevant learn lessons for the future. It also allows for the outcomes to be communicated back to partners. This is something that is monitored with local community groups in terms of the village halls/playgrounds grants, or with users of services in the leisure sector by the regular customer surveys undertaken.

One element of the programme, Community Development Grants, is based on local groups or organisations submitting bids against the overall sum allocated for the year. The Council has standard forms for this purpose to ensure a consistent approach is adopted and to enable Members to have the necessary information to make decisions.

The capital programme is monitored corporately and the degree of detail of monitoring is based on an assessment of risk and size of projects. Alongside the revenue budget of the authority the capital programme is reported regularly to the senior management team and Cabinet. The regular monitoring allows for any adjustments that may be necessary to the programme to be taken at an early stage.

7) External Funding

The resources available to South Bucks for investment are limited and cannot meet all the demands and aspirations of the local community. Therefore an important aspect of the strategy is to ensure that resources are used in the most cost effective manner. It also means that the Authority has to look for opportunities of inward investment or external funding.

The Council therefore actively seeks external funding and partnership to support its capital strategy. This ranges from applications for lottery funding and specific grant programmes, to contributions from parish councils or other local groups. The Council's plans for implementing its Play Strategy is significantly based around funding from the Big Lottery.

8) Partnership

South Bucks is actively involved in a number of key partnerships and in the delivery of the Local Area Agreement (LAA) for Bucks. The LAA is increasingly seen as the mechanism for channelling and managing Government funding into Buckinghamshire. A significant area of partnership funding is with Bucks CC on environmental improvement schemes.

9) Procurement

The procurement of all works and goods is guided by the Authority's procurement strategy. On account of the fact that South Bucks purchasing power is not as great as some organisations part of the emphasis has been on developing relationships with local companies as opposed to larger national ones. This does therefore have an indirect benefit for local economic development.

Technical equipment, mainly ICT related is procured on the basis of specifications agreed with the Council's ICT support contractor, and makes use of established purchasing arrangements such as GCAT.

The Council does not undertake many major building contracts. However when it does it carries these out using design, build and operate contracts that are framed in respect of best industry practice and would seek professional advice in the preparation of these. The Council also would expect such projects to have proper regard to sustainability issues in terms of materials, design, and operational costs and impact.

South Bucks does not have the scale of investment, of itself, to make PPP / PFI a major consideration in its capital strategy. However it is open to participation in larger county wide schemes for the improvement of services if they arise.