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FOXTON COMMUNITY PROJECT



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Capital Strategy 2002-2007

July 2002

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CAPITAL STRATEGY 2002-2007

1.0 INTRODUCTION

- 1.1 The purpose of this document is to set out the County Council's capital investment strategy.
- 1.2 The strategy will show how the Council is prioritising, targeting and measuring the performance of its limited capital resources so that it maximises the value of that investment to support the achievement of the Council's key cross-cutting activities and initiatives and national priorities. This strategy covers the three key themes of **demographic growth and sufficiency, modernising agenda and economic development and infrastructure**. For the purpose of this Capital Strategy (CS) all physical assets including roads, bridges, buildings, plant and equipment including Information Communication Technology (ICT) are classed as capital assets.
- 1.3 It is important to see this strategy within the context of a County which has to compete with London for its labour skills and has similar costs. This means that the revenue implications of capital investment have to reflect these higher cost levels even allowing for strong downward pressures exerted by the Council. Good capital planning is only part of the equation. It is also important to see this CS within a context of transparent and competitive procurement policies within the County Council which have been subjected to a Best Value Review (BVR), discussed with Department for Transport Local Government and the Regions (DTLR) officials and which are designed to deliver value for money.

2.0 CAMBRIDGESHIRE'S CONTEXT

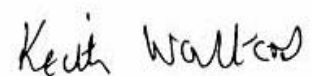
- 2.1 Cambridgeshire's gross and net revenue budget figures for 2002-2003 are £530m and £394m respectively. The summary of the consolidated balance sheet is set out in Figure 1.0 (*H.Link 1*).
- 2.2 The total assets of the County Council have been reviewed in order to categorise them in a manner that complies with the required classification system.
- 2.3 All education properties have been surveyed in depth according to Department for Education and Skills (DfES) guidelines. The remaining properties are being surveyed on a similar basis and in the interim a desk top survey was undertaken jointly by service directorates and

Figure 1.0 SUMMARISED CONSOLIDATED BALANCE SHEET

	31 March'01 £000	31 March'00 £000
Land and Buildings	602,896	604,900
Vehicles, plant and equipment	-	893
Infrastructure	180,154	170,741
Community Assets	77	102
Total Operational Fixed Assets	783,127	776,636
Non-Operational Fixed Assets	17,121	17,429
Total Assets	800,248	794,065

Figure 2.0 CONTROLLED SPENDING AND FINANCING 2002-2003 to 2004-2005

CAPITAL SPENDING (OUTTURN PRICES)	2002 / 2003 £m	2003 / 2004 £m	2004 / 2005 £m
Commitments	20.3	7.2	2.5
New Starts			
2002-2003	38.3	17.1	8.5
2003-2004	0.3	34.4	12.7
2004-2005	-	0.2	27.6
TOTAL: Controlled Spending	58.9	58.9	51.3
Adjust for Slippage			
- Out	-7.7	-7.7	-6.2
- In	1.3	7.7	7.7
(A) TOTAL: Payments	52.5	58.9	52.8
CAPITAL FINANCING			
Credit Approvals	29.7	34.1	28.1
Capital Financing Fund	-	3.0	-
Contributions and Grants	11.8	11.2	17.7
To be met by Capital Receipts	11.0	10.6	7.0
(B) TOTAL: Financing	52.5	58.9	52.8



Councillor Keith Walters
Leader of the Council, Chairman of
Cabinet and Resources Portfolio Holder



Andrew Rowson
Head of Property and Procurement
Corporate Property Officer

Figure 3.0 CAPITAL PROGRAMME 2002 - 2003 to 2004-2005 BY SERVICE

SERVICE (OUTTURN PRICES)	TOTAL COST £000	PREV. YEARS £000	2002 / 2003 £000	2003 / 2004 £000	2004 / 2005 £000	LATER YEARS £000
Education, Libraries and Heritage	115,445	22,544	24,383	23,316	22,851	22,351
Environment and Transport	78,334	605	21,978	30,808	24,943	-
Policy	20,050	2,282	10,254	4,018	3,091	405
Social Services	4,509	1,007	2,257	770	450	25
Total Controlled Spending (before slippage)	218,338	26,438	58,872	58,912	51,912	22,781

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Figure 4.0: TABLE OF NON-HIGHWAY PROPERTY ASSETS

ASSET HOLDER (Value £)	Assets (sqm)	BUILDINGS IN CATEGORIES A-D				BUILDINGS IN PRIORITIES 1-4				NON- SCHOOLS MAINTENANCE BACKLOG
		A	B	C	D	4	3	2	1	
Education, Libraries and Heritage (£527.8m)	403 (568,396)	103 (95,672)	208 (378,791)	79 (85,832)	13 (8,102)	26 (38,810)	267 (323,638)	98 (186,050)	12 (19,898)	£12.4m
Environment and Transport (£10.1m)	46 (9,644)	21 (2,024)	17 (6,293)	6 (451)	2 (876)	25 (7,149)	13 (1,253)	3 (-)	5 (1,242)	£0.65m
Magistrates Courts (£9.5m)	6 (7,293)	0 (-)	3 (4,836)	3 (2,456)	0 (-)	0 (-)	1 (-)	5 (7,293)	0 (-)	£1.8m
Policy (£137.3m)	112 (212,284)	37 (51,261)	57 (153,527)	10 (2,625)	8 (4,871)	13 (23,331)	68 (152,542)	23 (33,476)	8 (2,935)	
Social Services (£19.2m)	59 (20,855)	16 (4,871)	29 (8,589)	11 (5,822)	3 (1,572)	14 (4,213)	22 (6,035)	14 (4,813)	9 (5,794)	£1.65m
TOTALS (£703.9m)	626 (818,472)	177 (153,828)	314 (552,036)	109 (97,187)	26 (15,421)	78 (73,503)	371 (483,468)	143 (231,632)	34 (29,869)	£16.5m

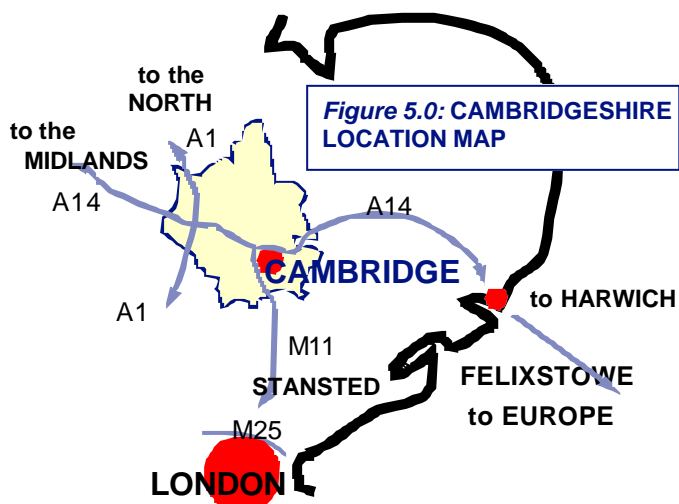
property staff. The 2002 results are outlined in Figure 4.0.

- 2.4 The Council's capital assets are valued at over £700m in 2002. A consequence of the need to finance new growth and the inability to update existing stock and allocate sufficient funds in a high cost area, is that there is now a need to invest some £54m in the schools assets alone to bring them up to the standard required. It is calculated that the non-education and highway maintenance backlog totals some £17m as shown in Figure 4.0, giving a total maintenance backlog of £71m, higher than in 2001. The maintenance backlog is being addressed through Geographic Area Reviews (GAR) and the planned maintenance programme.
- 2.5 A summary of the capital programme for the next 3-5 years, with particular reference to the level of disposals anticipated, is set out in Figure 2.0. This draws from 500 individual projects.

- 2.6 Cambridgeshire has considerable difficulty in meeting the County's needs for revenue spending and suffers from not receiving an area cost adjusted Revenue Support Grant (RSG), even though it has similar costs to counties that do receive it. For this reason it is unlikely that the authority will be able to afford to take on 'unsupported borrowing'.

Area, population and characteristics of authority

- 2.7 Situated at the heart of the eastern region of England, Cambridgeshire covers 304,357 ha and stretches fifty miles from the counties abutting London in the south almost to the Wash in the north. It has excellent road and rail links to London and elsewhere, with the university town of Cambridge being just 54 miles from London. The south of the County has a buoyant economy and is thriving, in contrast to the relatively deprived rural areas in the north.
- 2.8 The total population of Cambridgeshire is 563,000. It is the fastest growing county in England and Wales and is expected to grow by 4,000 people per year up to 2006, and even more thereafter.
- 2.9 The greatest relative increase of any age group will be the very elderly - aged over 85 - where numbers are expected to grow by around 2% each year for the next five years. There will also be a very significant increase in the numbers of people with Learning Disabilities.
- 2.10 The overall number of primary school pupils is forecast to decline by 1,500 (3.4%) over the next five years but will grow at some locations. Secondary numbers seem likely to increase by about 1,100 (3.5%).
- 2.11 Demographic change not only puts pressure on



essential services, such as schools, libraries, roads, waste management, public transport facilities and home and day care, but also puts into sharp relief the long term development of the county which is addressed in plans such as the Cambridgeshire Structure Plan and Local Transport Plan (LTP).

2.12 The **Cambridgeshire and Peterborough Structure Plan Review** carries forward the requirements of Regional Planning Guidance. It seeks to integrate environmental, economic and social progress and minimise consumption of resources by making provision for growth in sustainable locations. The Structure Plan has been informed by the Cambridge Sub Region Study and the Cambridge Sub Region Implementation Study (Roger Tym Study). In total it makes provision for the construction of 70,200 new dwellings between 1999-2016, the majority of which will be accommodated in the Cambridge Sub Region. To facilitate this a Stakeholder Partnership is being considered to bring together funding sources and land holdings. This will be a public private sector partnership involving local authorities, East of England Development Agency (EEDA), developers, utilities, and other national and regional interests.

2.13 **Regeneration** is being addressed in other areas of the County through major cross-cutting projects e.g. Oasis Centre in Wisbech (see Appendix 2.0), Oxmoor in Huntingdon, and Arbury in Cambridge.

2.14 The extensive road and bridge **infrastructure** requirements are addressed in the LTP. Its key objectives are to make travel safer, develop sustainable transport systems, and ensure efficient transport networks. £15.5m has been allocated for 2002-2003, and Government has indicated that a total of £97m over five-years could be available, provided that the Council can demonstrate progress against its LTP targets in the Annual progress report. (*H.Link 2*)

2.15 **ICT Infrastructure** is referenced in the Council's ICT Strategy 'Information Age Government Vision and Strategy' and ICT/ Private Finance Initiative (PFI) project approved by Government. (*H.Link 3*)

3.0 THE COUNCIL'S PRIORITIES AND CONSULTATION

3.1 **Our Vision** is for 'Quality of Life' which means working together with our partners to achieve sustainable development that will ensure quality of life, both now and for future generations through:

- a robust economy;
- communities free of social exclusion; and
- a healthy and sustainable environment.

3.2 The Council's Core Values of **Partnership**, **Accountability**, **Value for Money** and **Equity** are detailed in Section 4.2 of the Corporate Asset Management (Corp. AMP). (*H.Link 4*)

3.3 In 1998 the County Council established a representative **Citizens' Panel** of around 2,000 local residents. Each year we ask the Citizens' Panel: *What are the most important issues facing the Council?* The same five issues have emerged from surveys carried out in Autumn 2000 and 2001 and these are: reducing crime and disorder; raising school standards; traffic congestion; caring for older people and jobs / employment.

3.4 '**Prospects 2002 - 2006**' is the Council's Corporate Plan in which we describe our immediate, medium and long term priorities, the standards of performance to which we strive and our three year financial plans (*H.Link 5*). This document has been produced taking into account feedback and debate which comes from a variety of consultations e.g. with the Citizens Panel, with District and Parish Councils, professional organisations, the business community and the general public. The results of consultation with stakeholders assists in the setting of strategic and service objectives, and these in turn feed into the **CS** and the **Medium Term Service Priorities (MTSP)** bidding process. **The Council's Comprehensive Performance Assessment (CPA)** submission describes in more detail how consultation feeds into the setting of our priorities (*H.Link 6*).

3.5 The Council seeks to integrate **social, economic and environmental issues** fully into the Council's policy and decision-making processes, in a way which gives adequate weight to each, so that:

- economic success is a continuing hallmark, and is sought for all parts of the area, rural and urban;
- social and health needs are recognised;
- communities are valued and encouraged to shape their own sustainable futures;
- the environment is cared for, its quality safe guarded and wildlife enriched; and
- overall, the quality of life for individuals and communities in Cambridgeshire improves.

3.6 Taking the above into account the County Council has identified eight specific strategic objectives; these are shown in Appendix 1.0 with their related capital priorities, together with

CS Issues and Key Spending Plans.

3.7 The Best Value Performance Plan (BVPP) (*H.Link 7*) contains over 100 performance targets. A Best Value review of Communication and Consultation has also been completed during 2001-2002 and the County Councils 'Consultation Network' is being established to share best practice.

3.8 This CS has been shared with the **District Forum Group** (set up by Cambridgeshire County Council (CCC) with the five District Councils) for comment. Contacts have also been established with Health Organisations, regional professional bodies, Agency organisations, other partner organisations and with those colleagues preparing the Community Plan.

4.0 THE COMMUNITY STRATEGY AND PARTNERSHIP

4.1 The Council has extensive experience of partnership working across a range of projects and in a variety of ever changing formats. It has a range of Key Partners, and is willing to enter into a diverse range of partnerships including Public Private Partnerships / PFI bids / Community Projects / partnerships with the voluntary sector and other local authorities (some examples are shown in Appendix 2.0). It is also actively exploring future partnership opportunities with 'new' partners e.g. through new contacts with Primary Care Trusts (PCTs) as at Cambourne, new partners in the outsourcing of maintenance services, and new partners involved in the **Stakeholder Partnership** for the delivery of the infrastructure to support growth in the Cambridge Sub Region (Roger Tym Study).

4.2 District Audit recently reviewed the Council's partnership arrangements and said that *'partnership working is broadly thought to be working well and high level commitment is in place...a very positive view of Cambridgeshire's approach to setting its priorities within partnerships...the County Council was seen as balancing its focus on its own strategy with fairness and mutuality'*

4.3 The County Council and the five local District Councils recognise that tackling the key issues for local people on education, employment, health, safety, housing and the environment requires a concerted and co-ordinated effort across all sectors.

4.4 In response to Government initiatives the Cambridgeshire local authorities are

establishing **Local Strategic Partnerships (LSPs)** with representatives of the public, private and voluntary sectors. Their work will inform the working and future development of the CS, and provide a valuable forum for involving stakeholders and partners. Five district based LSPs are being set up, and all have held their first board / stakeholder meeting.

4.5 The LSPs will become a lead forum for joint working between the Council and other stakeholders, and will have a central role in:

- **community planning**: the LSPs will lead the preparation and implementation of Community Strategies for their areas (these will pursue key community themes of Community Safety; Learning, Housing; Health and Social Care; Access and Transport; Economic Development and Culture and Leisure). It is anticipated that they will be completed during 2003-2004.

- **public service agreements (PSAs)** the LSP will be crucial to delivering on local PSA targets as joint working will almost always be needed to tackle national and local priorities on education; employment; community safety; health and housing;

- **local neighbourhood renewal strategy**: the LSP will enable services to plan and deliver concerted improvements in public services to close the gaps between deprived neighbourhoods and the rest; and

- **planning partnership initiatives**: the LSP will provide a forum through which mainstream public service providers can work effectively together to meet local needs and priorities.

4.6 The Head of Commissioning (Property), part of the Property and Procurement Division of the County Council has also been an associate member of the **DTLR Strategic Partnering Taskforce** during 2001-2002. The remit of this taskforce is to carry out a review and development programme and directly support groups of pathfinder authorities to set up their own Strategic Service Delivery Partnerships (SDP), whether with other local authorities, the National Health Service (NHS) or with private and voluntary organisations. The focus is on sharing and achieving best value through strategic partnering.

5.0 CROSS CUTTING ACTIVITY

5.1 The Council has implemented its proposals to modernise its political processes and has introduced a cabinet and scrutiny arrangement.

5.2 A framework is in place that ensures that the CS is a **corporate document**, involving Chief Officers (including the Chief Executive) and

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Members (Figure 6.0). The Strategic Property and Procurement Group (SPPG) is the corporate senior officer stakeholder group leading on the CS and Corp. AMP (this accords with DTZ best practice advice).

- 5.3 SPPG approves all MTSP capital bids, using the process outlined in Section 8.0. This ensures that all capital proposals relate to strategic corporate and service objectives. The Council's own modernising agenda and corporate priorities have resulted in a range of cross cutting capital projects coming forward, including projects addressing **regeneration and sustainable development**. Examples of such cross cutting schemes, involving many partners, are outlined in Appendix 2.0 (this includes projects that are ongoing, as well as examples of those completed during 2001).
- 5.4 Further examples of successful delivery include **partnership schemes** in Huntingdon and March with Housing Associations, District Councils and the Housing Corporation to replace outdated residential accommodation for adults with disabilities with new direct tenancies in supported living schemes. The outcome has been to provide vulnerable members of the community with significantly improved accommodation and enabled the surplus property with a heavy maintenance liability to be declared surplus or adapted to meet the needs of another service sector. The capital receipts from any sale can be used to fund other high priority projects.
- 5.5 The introduction of new **flexible working** arrangements within the Council are well

advanced. They mirror the ideas put forward in the 2000 Audit Commission report entitled 'Hot Property - getting the best from local authority assets' and support the Council's work-life balance initiative. For example in the town of March, a new northern office base is being provided for 120 staff from Social Services (our Health partners) and, Environment & Transport. Decrepit / scattered buildings will be replaced by modern well-equipped offices on one site with staff working flexibly and on a more integrated basis. By bringing together the property, ICT and personnel issues associated with flexible working floor area can be reduced by 20%. Staff morale (and consequently their service to the public) is expected to rise. Consultation with the nearby school has enabled additional car parking and drop-off point and funding for the early appointment of a school crossing patrol to be provided.

- 5.6 These and other **cross cutting initiative projects** (arising from BVRs and GARs are being taken forward through the Council's Corporate Property Strategy (CPS) 2001-2006, in particular its Implementation Plan addresses over 80 individual initiatives / projects (*H.Link 4*). An example is the SDP Framework recently established with Mouchel Property Services (see paragraph 7.3)

6.0 FUNDING

- 6.1 We need a minimum annual average of £55m from a combination of government allocation, innovative funding (e.g. **PFI bids and public / private partnerships**), local finance from

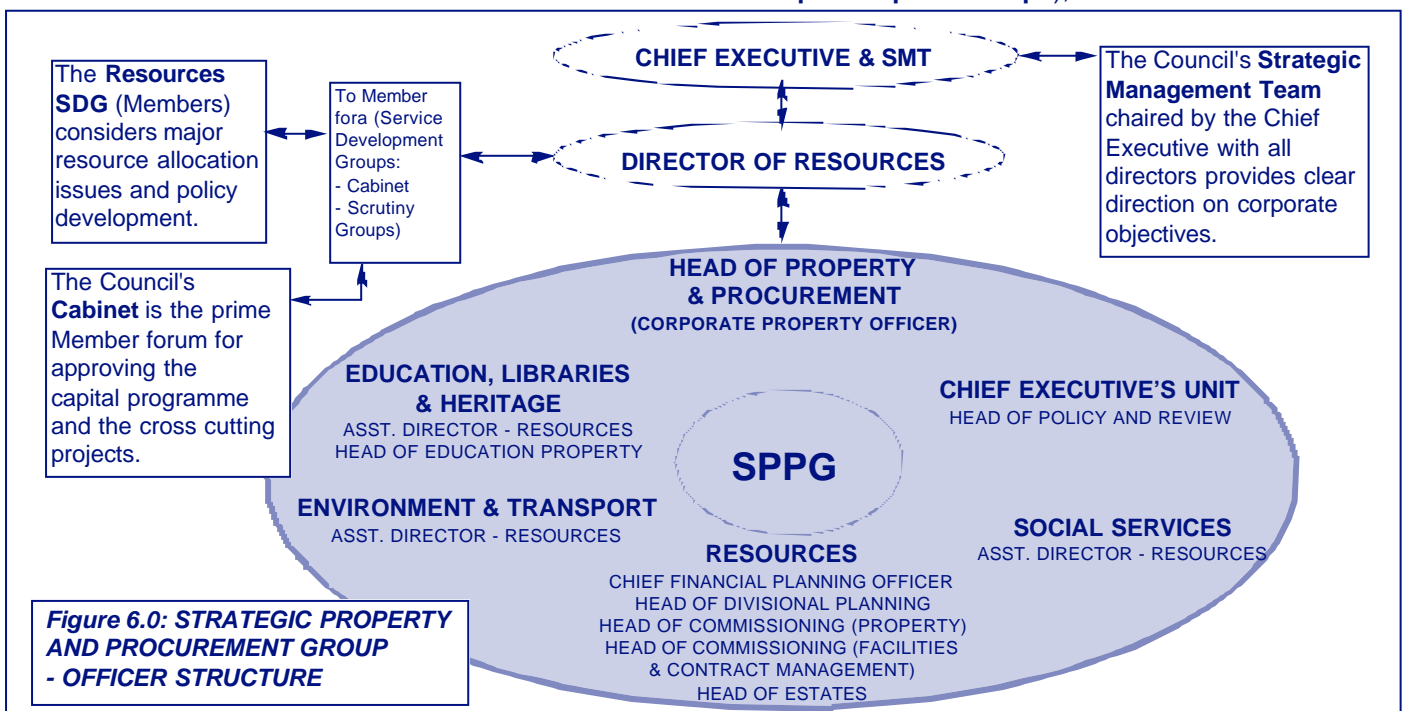


Figure 6.0: STRATEGIC PROPERTY AND PROCUREMENT GROUP - OFFICER STRUCTURE

property rationalisations and disposals, and developer contributions through Section 106's to deliver / meet the capital needs.

The Council has demonstrated its willingness to be innovative and devise **mixed funding packages** for schemes. An example is the Foxton Community Project, which used an allocation of Private Public Partnership funding from the DfES, funds from land sales and a Millennium Commission Grant for a village hall with joint school use. Similarly a £9.7m PFI bid is being pursued in respect of the proposed Historical Resource and Cultural Centre (HRCC). (Examples shown in Appendix 2.0).

- 6.2 **BV and other service specific reviews** play a significant role in identifying and bringing forward surplus and underused property for sale. All future sales prospects (whether formally declared surplus or not) are recorded as soon as any review process identifies the possibility of disposal and these are monitored and reviewed systematically. A five year sales programme is prepared and reported to SPPG annually although the current records show sale prospects well beyond this time horizon. The Council's 13,800 ha agricultural estate is managed on the basis of specific corporate objectives which include the generation of capital receipts and revenue surpluses. Specific **Farm Management Plans (FMPs)** identify immediate and future sale prospects and consultants are employed to bring forward sales of land and buildings with development prospects. A considerable investment of time and resources has been made for many years to ensure that this produces a stream of sales at considerably enhanced values to support capital funding needs.

The County Council has generated more than £38m from **Capital Receipts** over the past four years, and in the 2001-2002 financial year, 42 properties were sold with a total value of £7.7m (26% contribution from the County Farms Estate (CFE)). Continuing with this approach to property disposal the CFE shows that the Internal Rate of Return will be 21% over the next 20 years.

- 6.3 However, having promoted a vigorous disposal policy over many years the Council now has a very diminished stock of assets to sell and very little non-core CFE to supplement sales. Hence it faces a significant reduction in the value of receipts it can generate locally in future years.
- 6.4 Investment in capital infrastructure is very dependent on Government support through

the LTP, with an emphasis on encouraging sustainable forms of transport.

- 6.5 The capital expenditure of the Council is set out in Figures 2.0 and 3.0. As a major investor in capital works the Council is able to influence others through participating in and promoting joint funding ventures. For example, it has been successful in gaining Government support for the **Starter Homes Initiative** (which makes provision for low cost housing for Key Workers); persuading others to invest jointly in the **Market Towns Initiative Schemes**; in sports facilities in schools; and in new supported living accommodation.
- 6.6 With regard to the revenue implications of capital investment, the Council has refined the MTSP bid process described in Section 8.0, so that capital bids are closely aligned to revenue bids. Thus a capital investment bid, for example for a new library, must be supported by a **parallel revenue bid** to ensure the availability of finances to run the new service being provided. The Council also takes into account revenue costs when it invests money in new property, investing when appropriate with a view to reducing future revenue expenditure.
- 6.7 The County Council remains greatly concerned about the relatively low level of revenue support grant it receives in relation to its needs. It is currently necessary therefore to use capital resources to finance maintenance obligations.
- 6.8 Most capital expenditure has to be used to provide expanded facilities to cope with the needs of a growing and ageing population. Investment for the existing population generally takes the form of the replacement or rationalisation of facilities, with a focus on reducing ongoing operating costs wherever possible such as through the comprehensive CPS (*H.Link 4*) which guides a forward programme for investment in property and the generation of capital receipts.

7.0 VALUE FOR MONEY AND QUALITY

- 7.1 The Council embraces facilities management and offers a range of contract management and procurement services to the corporate community. Cambridgeshire's procurement strategy has been informed by BVRs, including the **Procurement and Contract Management Review**. The Action Plan from the review is being implemented which includes a Partnership Improvement

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Programme with Eastern Shires Purchasing Organisation (ESPO). This has reduced the number of suppliers, and increased the use of corporate contracts for purchasing. The success of this new agreement has led to the Council becoming a leader in e-procurement, and has been short listed for the prestigious Kelly's Award for Purchasing on two occasions.

- 7.2 The Property BVR in 1998-1999 showed that the discipline resulting from the in-house consultancy being a separate business unit and being actively benchmarked with the external sector through competitive fee market testing had resulted in significant savings in fees. This discipline has been retained in the re-integration of the service as the Property and Procurement Division.
- 7.3 The Property and Procurement Division is part of the Resources Directorate and delivers a full range of property services associated with the design, delivery of capital and maintenance programmes, estates management and facilities management.
- 7.4 Traditional procurement such as single stage competitive tendering gives Cambridgeshire a procurement route which delivers competition, quality control (through specification) and compliance with audit and legal requirements. The Council has also been active in considering **alternative partnering procurement arrangements** as promoted in the Egan Report. Single and two stage design and build procurement schemes have been successfully piloted.
- 7.5 During 2001 it entered into a SDP framework with Mouchel Property Services and it is proposed to progress and extend 'Egan' type partnering principles to the contracting industry on a specific building project. A contractor will be selected at the early stages of the scheme design to work as an integral part of the design team to an agreed cost plan and guaranteed maximum project price. The project will be benchmarked to key performance indicators (PIs) and there will be joint supply chain management where costs are agreed on the basis of open book accounting. The adoption of this procurement strategy will aim to integrate supply chain management, allow innovation around an output specification and deliver value for money.
- 7.6 The Council has successfully achieved better value for money by using substantial term contracts with W.S. Atkins (for new works design), Ringway (for highways maintenance and reconstruction works) and a partnership

arrangement with Ringway and Wrekin (for traffic management).

- 7.7 In the light of these significant initiatives the Council is due to submit bids in October 2002 for **Beacon Award status** under the 'Rethinking Construction' theme, which aims to improve the performance of the construction industry among public and private sector clients and 'Street and Highways Works' aimed at keeping disruption to a minimum. The latter bid builds upon a series of awards such as recognition as Transport Authority of the year in 2001.
- 7.8 The Council has also restructured its building maintenance services during 2001-2002, resulting in outsourcing of maintenance. This introduces a Maintenance consultancy framework agreement (five-year partnering contract); implementation of a single Maintenance works term contractor (replacing 16 individual contracts); and enables schools to 'buy-in' as desired (using delegated maintenance budgets).
- 7.9 The Council is a client of Constructionline which has removed the need to maintain our own in-house approved list of construction service contractors. This has generated positive savings and is consistent with both Sir Michael Latham's Report "Constructing the Team" and the report of Sir John Egan "Rethinking Construction".
- 7.10 The practice of active market testing is key to the Council's competition policy and is applied in all areas of capital design and construction work.

8.0 PRIORITISATION OF CAPITAL SCHEMES

- 8.1 The methodology for prioritising the limited capital expenditure between projects is set out below. All service directorates are aware and participate fully in this process. The Council requires **project justifications** for any new capital bid whether funded wholly or partly by the Council. The bid is prepared on a common format by the sponsoring directorate setting out the capital requirements and revenue consequences.
- 8.2 The justification demands an assessment of the project's fit with the Council's:
- Vision for Quality of Life, and priorities for 2002-2003 (Prospects 2002-2006, *H.Link 3*)
 - MTSP (Prospects 2002-2006, *H.Link 3*)
 - PSA targets (see Appendix 1.0)
 - CPA Continuous Improvement Plan (*H.Link 6*)
- 8.3 Bids are scored, verified and moderated

independently against specified criteria to determine ranking order.

8.4 SPPG considers the ranking of all projects to determine priority for inclusion in the capital programme to be considered and approved by Members. During 2001, 150 projects were assessed by this method, and ongoing projects were reviewed against strategic and service objectives to ensure compatibility with asset management objectives. In light of this experience the process has been further refined, and for 2002 the criteria for projects to be included in the new year 3 (2005-2006) will include:

- **Inescapable issues arising from demographic growth and legislation;**
- **Strategic Objectives and MTSP;**
- **CCC Vision Statement;**
- **PSA Targets;**
- **The 11 point CPA Action Plan;**
- **Financial Considerations;**
- **Recruitment and retention;**
- **Modernisation Agenda;** and
- **Risk Management.**

8.5 This process enables the limited capital finance (from whatever source) to be applied in the most effective way and co-ordinates the revenue implications.

9.0 PERFORMANCE MANAGEMENT, MONITORING AND REVIEW FRAMEWORK

9.1 In Cambridgeshire the development of the Capital programme stems from Service Directorates Service Plans where corporate and service needs are identified.

9.2 SPPG has responsibility for monitoring the performance and delivery of the capital programme within the agreed three year medium term plan. SPPG, which includes representatives from the Service Directorates (stakeholders), review this on a monthly basis to ensure that the **capital programme** is prioritised, funded and implemented. Members are also advised on progress and performance as part of overall budget and performance monitoring.

9.3 Land and asset PIs linking to the corporate goals are well established on a hierarchical basis as follows:

- **a high level corporate suite** established with Audit Commission guidance includes for example, the number of public buildings in which the public areas meet the Disability Discrimination Act (DDA) requirements. (6 out of 106 buildings currently comply);

- **a broader suite** for the Resources Directorate which includes the new National Property PIs (NPPIs); and
- **an internal suite** for the Property and Procurement Division including, for example, the cost of realising capital receipts as a % of total capital receipts, and building closures where they have a detrimental effect on service delivery. This suite of PIs has been refreshed during 2001-2002, taking into account new NPPI's and corporate objectives.

Performance is reported to the Service Development Group (SDG) and Cabinet regularly.

9.4 These indicators are regularly seen and reviewed using Corporate Management processes for members and officers. (Refer to Figure 6.0).

9.5 On a more detailed level performance review is also exercised through quarterly monitoring of ongoing projects from the CPS which includes approximately 80 projects / initiatives each with individual milestones and PIs (*H.Link 4*). Partnership projects are monitored in the same way via project plans and PIs with explicit targets / indicators set by CCC or project sponsors. The results of monitoring are reported to stakeholders through SPPG.

9.6 Post Project Appraisals are also undertaken to provide benchmarking information using an established methodology on a limited number of capital schemes within the six month defects liability period following practical completion. The Council is aware of the importance of 'closing the loop' on feedback to inform the developing programme. In this respect it is seeking to further develop its methodology to ensure that project outcomes are measured against the initial project goals.

9.7 **Stakeholders' views** are used in the setting of the Council's strategic priorities and targets for improving service delivery and these are highlighted in 'Prospects' and the Council's budget.

9.8 The County Council also gives **grants for capital projects**, or matches grants from other bodies, where objectives of projects are in line with the Council's own strategic / service priorities. For example, Day Centres, Housing Association Housing, and community projects such as Buckden Millennium Village Hall (which includes new library provision). Long term leases or Service Level Agreements (SLAs) are normally applied to enable the Council to monitor performance and to achieve maximum value for money.

CAPITAL STRATEGY 2002-2007

10.0 CONCLUSION

10.1 This Capital Strategy illustrates the challenge the Council faces in meeting the needs arising from the Strategic Objectives and a rapidly increasing population. The Strategy also illustrates how difficult and vital it is to prioritise correctly between competing demands in order to utilise limited funding most effectively. It also

demonstrates that the Council has robust processes and procedures in place to make this happen on a transparent and equitable basis for the benefit of the community it serves.

APPENDICES

Appendix 1.0 - Strategic Objectives

Appendix 2.0 - Partnership Projects

Appendix 1: STRATEGIC OBJECTIVES

(note. PSA Targets shown in shaded areas)

Strategic Objective: **Tackling social inclusion in general and for young people in particular**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - To increase the proportion of looked after foster children in their current home for over 2 years - To decrease the proportion of children with disabilities dissatisfied with CCC services - To increase participation in active citizenship activities for young people - To reduce number of young people re-offending - To reduce the number of young people using class A drugs, and increase the number of young people in treatment - Increase the number of learners in mobile libraries / mobile libraries servicing socially excluded communities - Addressing social exclusion and inequalities - Integration and inclusion: responding better to needs by 'joining up' health, social care, education services and housing. - Major changes are being progressed for services to adults and the Council is leading on the creation of a strategic partnership for children's services - Promoting Better Government for older people across our services 	<ul style="list-style-type: none"> - Primary, secondary and special schools building programme to meet demand, including disabled statutory provision - Support out of school provision in Hunts and Fenland - Consequences of Best Value Reviews - Increase income generation in rural areas - ICT broadband PFI (Cambridgeshire Direct) - Travellers site improvements - Disabled access - statutory provisions - ICT software upgrades enabling partnerships with Primary Care Trusts, Mental Health, Acute Trusts and Social Care Trusts - Re-provision / refurbishment of children's homes and adult day care centres - Provision of supported living schemes

Strategic Objective: **Creating effective local strategic partnerships to enhance services on a multi-agency basis**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - Strengthening commitment through local partnerships; including the creation of Local Strategic Partnerships at District level - Reinforcing and developing the Council's commitment to community safety through our local partnership work and the work of our Youth Offending Service - To reduce road accidents in partnership with the Police - Waste Strategy partnership with the five District Councils and Peterborough Unitary Authority 	<ul style="list-style-type: none"> - Modernisation Agenda - need to invest in accessibility / channel strategy, e.g Contact Centre - ICT software upgrades enabling partnerships with Primary Care and other Health Trusts. - Investment in safety cameras. - Joint recycling investment.

Strategic Objective: **Placing users of our services and their carers at centre stage by developing our listening and involving strategy**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - Placing users and carers centre stage 	<ul style="list-style-type: none"> - Consequences of Best Value Reviews - including the Communication and Consultation BV Review. - Users Parliament / Locality Focus Groups - Citizens Panel Feedback

CAPITAL STRATEGY 2002-2007

Appendix 1: STRATEGIC OBJECTIVES

(note. PSA Targets shown in shaded areas)

Strategic Objective: **Continuing to drive up performance through continuous improvement and by clarifying targets**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - To ensure overall annual improvements in cost effectiveness of the Council of 2.25% Increase proportion of household waste recycled / composted - To ensure optimal use of resources in achieving the Council's objectives - To maintain the highest quality of practice throughout the Council and public confidence in its governance - Maximising resources for Cambridgeshire (including recruitment and retention initiatives to strengthen our workforce) - Developing the organisations culture and structure to enable it to tackle the improvement and change agenda in the short, medium and long term. 	<ul style="list-style-type: none"> - Consequences of Best Value Reviews - Modernising the Council's infrastructure e.g. office accommodation in Huntingdon and March Town Centres - Disabled access - statutory provisions - Upgrading the Household Waste Recycling Centres (HWRCs) and transition away from landfill dependency - Modernisation Agenda - need to invest in accessibility / channel strategy - Complaints handling - ICT development - upgrade to Windows 2000 and systems development (e.g. FAMIS, PREMIS, HeRo and SWIFT).

Strategic Objective: **Investing in sustainable transport solutions**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - To increase the number of bus passengers using radial routes into Cambridge - To maintain the condition of principal roads - as measured by % roads with zero residual life / and by % of principal, roads where skidding resistance is poor - To reduce the number of people killed / seriously injured on Cambridgeshire roads - Producing the Cambridgeshire Structure Plan and developing solutions to the infrastructure requirements to support the growth in population, employment and housing 	<ul style="list-style-type: none"> - Maintenance of Highways infrastructure - Developing integrated and sustainable transport networks, e.g. innovative guided bus project implementing Cambridge and Huntingdon Multi Modal Study (CHUMMS) - Making travel safer e.g. traffic management schemes - Managing and operating effective transport networks - Consequences of overarching BVR of highways services

Strategic Objective: **Promoting independence and developing rehabilitative services for vulnerable adults - working in partnership with the Health Service and other partners**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - To increase the proportion of elderly people helped to live at home, per 1000 population - To reduce the proportion of elderly people whose discharge from hospital is delayed per 1000 population - Placing users and carers centre stage - Using every iota of resource to good effect 	<ul style="list-style-type: none"> - Consequences of Best Value Reviews including the Adult Day Services and Family Support Reviews and Occupational Therapy Services - Increase income generation - Small scale adaptations / refurbishments - Re-provision/refurbishment of children's homes and adult day care centres - Supported living partnership schemes - Adaptation works e.g. protection of users from hot water and high temperature radiators - Disabled access - statutory provisions - ICT software upgrades enabling partnerships with Primary Care Trusts and other Health Trusts

CAPITAL STRATEGY 2002-2007

Appendix 1: STRATEGIC OBJECTIVES

(note. PSA Targets shown in shaded areas)

Strategic Objective: **Raising educational achievement - through support to schools and by enhancing community involvement**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - Percentage of young people leaving care with 5+ GCSEs at A-C grade - Raise attainment of KS2 English Level 4 or above & KS2 Maths Level 4 or above - Proportion of pupils in schools maintained by the authority in the previous summer achieving 5+ GCSEs at grades A-C - Proportion of pupils in schools maintained by the authority in the previous summer achieving 1 or more GCSEs at grades A-G - To increase the number of preschool places for children aged 3+ in Wisbech - To increase participation in Fenland by those aged 16+ full time education - To increase library use 0-4 year olds in South Wisbech & Fenland Champions Area - Raising achievement at all Key stages - Inclusion (of pupils with special needs at risk of disaffection, in particular via the Behaviour Support Plan and Special Educational Needs (SEN) Strategy) - Developing capability (through improving leadership, training and development and support services to help deliver the core objectives) 	<ul style="list-style-type: none"> - Primary, secondary and special schools building programme to meet demand, including disabled statutory provision - Sustain Section 106 funded programmes for school developments - Consequences of Best Value reviews e.g. special educational needs - Support out of school provision in Fenland, Huntingdon and East Cambridgeshire. - Sustain DfES funding streams for basic need, targeted capital. NDS condition, modernisation and schools access. - Support for early years (0-5 years) and investment with partners. - Provision of SEN in Cambridge City and South Cambridgeshire through provision of new accommodation.

Strategic Objective: **Improving access to services through e-government and modernisation**

Key Strategic / Service Issues & Targets	Capital Strategy Issues / Key Spending Plans
<ul style="list-style-type: none"> - Library use by remote contact - computer, fax, telephone for library transactions - Implementing our strategy for e-government and modernisation - Transforming public services by giving the public better access to ways of finding information and doing business with the Council - Modernising systems and processes 	<ul style="list-style-type: none"> - Library replacements / improvements - National Grid For Learning (NGFL) Project (ICT development) - Consequences of Best Value Reviews - Modernising the Council's infrastructure e.g. office accommodation in Huntingdon and March Town Centres. ICT broadband PFI (Cambridgeshire Direct) and provision of Touchdown Centres. - Modernisation Agenda - need to invest in accessibility / channel strategy - Electronic voting development - ICT software upgrades enabling partnerships with Primary Care Trusts

CAPITAL STRATEGY 2002-2007

Appendix 2: PARTNERSHIP PROJECTS - CURRENT/ WORKING PROJECTS

53 Elm Road and Marwick Centre Replacement, Wisbech - to provide supported living accommodation / residential / respite care and general needs housing for the over 50's.

<p><i>Link to Strategic Objective(s):</i> Promoting independence and developing rehabilitative services for vulnerable adults</p>	<p><i>Link to Service / Framework Plan Objective(s):</i> Partnerships - to plan jointly, co-operate effectively and co-ordinate activity, so as to ensure effective outcomes for service users</p>	<p><i>Key Partners / Funding Sources:</i> Cambridge Housing Society, Fenland District Council, Cambridgeshire County Council.</p>
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Citizens Panel - ongoing project seeking feedback from a representative section of Cambridgeshire residents

<p><i>Link to Strategic Objective(s):</i> Placing users of our services and their carers at centre stage by developing our listening and involving strategy</p>	<p><i>Link to Service / Framework Plan Objective(s):</i> Satisfaction of Citizens with the overall service provided by the County Council Managing communication - internal and external</p>	<p><i>Key Partners / Funding Sources:</i> Cambridgeshire County Council, Citizens Panel 2000 (the public) Member input.</p>
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Historical Resource and Cultural Centre - £9.7m PFI Bid. HRCC to include Museum, records, archive office, archaeological centre, photographic and film unit.

<p><i>Link to Strategic Objective(s):</i> Improving access to services through e-government and modernisation</p>	<p><i>Link to Service / Framework Plan Objective(s):</i> Meeting expectations in a modern age - improved service</p>	<p><i>Key Partners / Funding Sources:</i> Cambridgeshire County Council, PFI partner. Government - Department of Culture, Media and Sport (DCMS).</p>
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Oasis Centre, Wisbech - a regeneration project to provide dual (school and community) use facility providing: neighbourhood nursery, learning centre, youth activities, community facilities, and possibly sports uses.

<p><i>Link to Strategic Objective(s):</i> PSA Target - increase number of pre-school places for children aged 3+ in Wisbech north Tackling social inclusion in general and for young people in particular</p>	<p><i>Link to Service / Framework Plan Objective(s):</i> To deliver high quality cost effective services which help to improve quality of life To serve the whole community fairly and address particular issues such as rural isolation, and deprivation</p>	<p><i>Key Partners / Funding Sources:</i> Surestart, Wisbech Community Development Trust, Wizz Kids, St Augustine's School, Gordon Fendick School, P.C.T, Isle College, Care and Education representatives, Learning and Skills Council, Community Education and SRB, Fenland District Council Funding has been gained from the Neighbourhood Nursery Initiative (NOF) for revenue and Capital and a small amount from the P.C.T (EEDA and European Funding being applied for. Funding already gained from Neighbourhood Nursery Initiative (NOF) and a small amount from the P.C.T).</p>
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CAPITAL STRATEGY 2002-2007

Appendix 2: PARTNERSHIP PROJECTS - CURRENT/ WORKING PROJECTS

Oxmoor Regeneration Project - 7 year (£3m) programme ending March 2007 (18 individual projects e.g. Reading Recovery, Neighbourhood Nursery & Childcare Development, Young Peoples Project, Minority Involvement Project, Employer Links Project).

Link to Strategic Objective(s):

Raising educational achievement - through support to schools and by enhancing community involvement. Promoting independence and developing rehabilitative service for vulnerable adults. Tackling social inclusion in general and for young people in particular.

Link to Service / Framework Plan Objective(s):

Raising educational achievement. Addressing social exclusion and inequalities.

Key Partners / Funding Sources:

37 partners including CCC, Huntingdonshire District Council, Huntingdonshire PCT, Huntingdonshire Housing Partnership, Oxmoor Community Action Groups, Huntingdon Town Council, Business for People, Cambs Careers Guidance, Cambs Health Authority, Cambs Lifelong Learning Partnership, Cambs Care & Education Partnership, Cambs TEC and Business Link, Cambs Youth Offending Team, DIAL Druglink, Greater Cambs Partnership, Huntingdon Enterprise Agency, Hunts Coalition of Disabled People and Oxmoor Asian Womens Group. £1.5m SRB monies being matched by partner contributions, making programme at least £3m.

Examples of Partnership Projects completed during 2001/02:

Foxton Community Project - joint venture construction scheme for the replacement village hall, sports pavillion and 120 place primary school.

Link to Strategic Objective(s):

Raising Educational achievement - through support to schools and by enhancing community involvement

Link to Service / Framework Plan Objective(s):

Raising education achievement / life long learning

Key Partners / Funding Sources:

Millennium Commission, South Cambridgeshire District Council, Foxton Recreation Ground Trust, Foxton Village Hall Trust, Foxton Parish Council, Cambridgeshire County Council, DfES.

Trumpington Park & Ride - 1,000 spaces with on-site facilities including cycle rack / terminal building (one of five around Cambridge City)

Link to Strategic Objective(s):

Investing in sustainable transport solutions

Link to Service / Framework Plan Objective(s):

To promote sustainable growth / to implement the actions of the Local Transport Plan

Key Partners / Funding Sources:

Cambridge City Council, Cambridgeshire County Council, Stagecoach, land owner.

HYPERLINKS TO SUPPORTING DOCUMENTS PREPARED BY CAMBRIDGESHIRE COUNTY COUNCIL

H.Link 1	Budget Book http://www.cambridgeshire.gov.uk/sub/budget/budgetbooks/index.htm
H.Link 2	Local Transport Plan http://www.cambridgeshire.gov.uk/sub/eandt/planning/trplan/index.htm
H.Link 3	ICT Strategy http://www.cambridgeshire.gov.uk/sub/resources/egov/strategies.htm
H.Link 4	Corporate AMP, Capital Strategy and Corporate Property Strategy Documents http://www.cambridgeshire.gov.uk/sub/resources/prop_procure/plans/index.htm
H.Link 5	Prospects 2002-2006 http://www.cambridgeshire.gov.uk/sub/ceu/pol_rev/prospects/index.htm
H.Link 6	Comprehensive Performance Assessment http://www.cambridgeshire.gov.uk/sub/perfman/index.htm
H.Link 7	BV Performance Plan http://www.cambridgeshire.gov.uk/sub/ceu/bvpp/2002/index.htm

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