

# PAPER E

Purpose: For Decision

Committee : **CABINET**

Date : **3 APRIL 2007**

Title : **CAPITAL STRATEGY 2007/13**

## **REPORT OF THE CABINET MEMBER FOR RESOURCES AND TOWN / PARISH COUNCIL EMPOWERMENT**

**IMPLEMENTATION DATE : 17 APRIL 2007**

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### PURPOSE

1. Members are asked to approve the Capital Strategy 2007/13.

### BACKGROUND

2. At its meeting in November 2006, the Cabinet adopted the Strategic Asset Management Plan (SAMP) and noted that a Capital Strategy, Delivery and Investment Plan should be presented to the March 2007 Cabinet meeting.

Also in 2006, the Audit Commission reported on the Council's management and use of its financial resources and made three main recommendations on financial management and Value-for-money as it relates to capital, namely:-

- Have in place a Capital Programme linked to priorities with most projects completed on time and within budget
- Demonstrate a clear linkage between medium-term financial strategy and other internal strategies and plans
- Make Members aware of the level of backlog repair and maintenance (R&M) and put in place plans to address it.

### STRATEGIC CONTEXT

3. Local Authorities are encouraged to up-date their Asset Management Plans to make them into strategic documents more closely aligned with Service needs. To be fully effective, the SAMP needs to work in conjunction with a Capital Strategy that establishes the organisation's approach to its capital investment plans (and those of its Partner organisations) for the medium-term. This Capital Strategy covers the period to 2013 and, to varying degrees, contributes to all the corporate objectives.

## CONSULTATION

4. This document has been prepared by the Capital Strategy Group which began work in mid-January 2007. Information and documentary evidence to support development of a corporate capital strategy has been supplied by various directorates. The draft strategy was considered by Directors Team on 13 March 2007, and a number of amendments have been made to the strategy following comments from the Directors Team.

## FINANCIAL / BUDGET IMPLICATIONS

5. The financial implications for 2007/8 and future years are detailed throughout the Capital Strategy. The current Capital Programme satisfies existing commitments and priorities, whilst future plans increasingly seek to contribute towards the delivery of the Council's corporate priorities. To the extent that information currently exists with regard to significant R&M backlogs, the strategy advises on the scale of them and, as a consequence, the need to identify additional resources (in particular from capital receipts) and opportunities for liaising with Partners in Joint Use schemes to improve the quality of the asset portfolio.

## LEGAL IMPLICATIONS

6. The Capital Strategy is a key element of medium-term financial planning and contributes to sound financial management and the Council's efforts to provide its Residents with services that offer increasing value-for-money as required by the Local Government Act 1999.

## OPTIONS

7.
  - (a) To approve the Capital Strategy 2007/13.
  - (b) To propose alterations to the Capital Strategy 2007/13.

## EVALUATION / RISK MANAGEMENT

8. Approval of a co-ordinated Capital Strategy for the Council provides the opportunity to link capital investment to the various Asset Management Plans which exist and ensure that the asset base is 'fit for purpose' to deliver the Council's corporate priorities. Furthermore, it also provides an ability to identify backlog maintenance requirements and enable resources to be targeted towards improving the existing asset portfolio, in conjunction with partner organisations.

Failure to approve the Capital Strategy would undermine Council's efforts to:-

- improve its asset management
- address the R&M backlog
- improve value-for-money in delivering services to residents

Almost inevitably, this would be likely to attract critical comment from our external auditors and have an adverse impact on the Council's next CPA Use of Resources score.

## RECOMMENDATION

9. Option (a) – To approve the Capital Strategy 2007/13.

## BACKGROUND PAPERS

Corporate Strategy documents relating to Children and Young People, Local Transport Plan, IoW Local Area Agreement, Strategic Asset Management Plan.

Capital Strategy 2002/05.

Audit Commission "Use of Resources Auditor Judgments" 2006.

DfES - "Guidance for local authorities on improved joined-up planning and funding".

"Memorandum of understanding between the IoW Council and the IoW NHS PCT".

## APPENDICES

1. [Capital Strategy 2007/13](#)

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