
EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 29 AUGUST 2013

ROSP.61/13 DRAFT CAPITAL STRATEGY 2014/15 TO 2018/19

The Director of Resources presented report RD.33/13 on the Draft Capital Strategy 2014/15 to 2018/19. He informed Members that the Draft Capital Strategy was a key policy document, intended to direct the Council's Capital Programme and the allocation of resources for the five year period 2014/15 to 2018/19 and would complement and supplement guidance contained in the Medium Term Financial Plan. The Capital Strategy was reviewed annually alongside the Medium Term Financial Plan, commencing with the assumptions made in the Budget Resolution approved by Council on 5 February 2013. The position had been updated to reflect any known changes since that date.

He reminded Members of the objectives of the Capital Strategy in ensuring that capital investment decisions and capital resources contributed to the achievement of the Council's corporate priorities; co-ordinated strategic priorities emerging from service planning and ensuring that investment opportunities were maximised; managed performance and decision making processes to help achieve the best use of available capital resources and setting out processes to monitor and evaluate proposed and actual capital spending on projects to ensure that value for money was obtained. The Strategy had been developed using a number of overarching guidelines.

The Director of Resources outlined the current capital programme forecasts, reminding Members of the key assumptions which had been considered in making the projections including the Capital Programme of £9.280m for 2013/14 and £4.641m for 2014/15. The impact of the 2012/13 outturn and the carrying forward of budgets into 2013/14 and other adjustments had reduced the programme to £4.655m in 2013/14.

The Director of Resources indicated that the current capital programme forecast spending on capital projects of around £1m - £2m per annum for years 2016/17 to 2018/19, although past experience had indicated that actual spending would be much higher due, in the main, to the fact that a number of initiatives were still at an early stage of development and had not yet been included in the projections. He identified a number of schemes currently the subject of feasibility studies, including the Asset Review Programme; Vehicle Replacement Programme; and Disabled Facilities Grants, commenting that the position on those schemes would need to be updated during the budget process when an indication of capital schemes coming to fruition and their timing could be made more accurately.

The report further set out an estimated level of capital finance resources which would be generated over the next five years and highlighted the current position regarding borrowing; capital receipts; reserves and balances; Government and other capital

grants and external funding; and revenue contributions. Also summarised was the level of capital spending and available financing for the period 2013/14 to 2018/19 which indicated that currently there was approximately £7.4m uncommitted estimated capital resources available to support any future capital programme as at the end of 2018/19.

The Executive had on 5 August 2013 (EX.82/13) considered the report and decided:

“1. That the Report of the Director of Resources (RD.33/13) regarding the draft Capital Strategy 2014/15 to 2018/19 be received.

2. That the draft Capital Strategy be made available for consideration by the Resources Overview and Scrutiny Panel on 29 August 2013.”

In considering the Draft Capital Strategy Members raised the following comments and questions:

- Was the authority still in a position to participate in schemes that would be of benefit to the City?

The Director of Resources explained that there was unallocated monies in the capital strategy but it should be kept for emergencies. The Strategy could be reviewed annually and changed to meet new requirements if needed, however, unless the scheme was an invest to save scheme it would be difficult to support new capital expenditure at the current time.

The Finance, Governance and Resources Portfolio Holder added that there would be additional capital if the Asset Management Plan exceeded expectations, however, if it did not match expectations some work would have to be carried out to re-prioritise the Capital Strategy to ensure the priorities of housing, economic growth and quality jobs were achieved.

- The Capital Programme showed a reduction in the contribution to Disabled Facilitates Grants (DFGs) from 2017/18 onwards. Why was there a reduction?

The Director of Resources responded that the Council was using a framework for tendering jobs and Riverside Carlisle was carrying out smaller jobs themselves. The Council could meet the DFG requirement at the present time but any increase would result in a budget pressure in the future.

RESOLVED – That the Draft Capital Strategy 2014/15 to 2018/19 (RD.33/13) be welcomed.