
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 26 JULY 2011

EX.083/11 DRAFT CAPITAL STRATEGY 2012/13 TO 2016/17
(Key Decision)

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules, this item was included on the Agenda as a Key Decision, although not programmed within the Forward Plan for consideration at this meeting)

Portfolio Governance and Resources

Subject Matter

The Assistant Director (Resources) submitted Report RD.28/11 on the Draft Capital Strategy 2012/13 to 2016/17. 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 2012/13 to 2016/17 and would 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 1 February 2011. 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 and ensuring that investment opportunities were maximised; managed performance and decision making processes to make 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 Assistant Director (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 £7.534m for 2011/12 and £2.730m for 2012/13. The impact of the 2010/11 outturn and the carrying forward of budgets into 2011/12 and 2012/13 had increased the programme by £1.418m in 2011/12 since the budgets were approved in February.

The Assistant Director (Resources) indicated that the current capital programme forecast spending on capital projects of around £2.7m - £1.2m per annum for years 2012/13 to 2016/17, 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 therefore been included in the projections. He identified a number of schemes currently under review, 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 2011/12 to 2016/17 which indicated that currently there was approximately £1.8m uncommitted estimated capital resources available to support any future capital programme.

The Governance and Resources Portfolio Holder expressed grateful thanks to members of staff for the considerable amount of work undertaken over recent months, which had contributed to a much more sensible Capital Strategy. He then moved the recommendation set out in the Assistant Director's report.

Summary of options rejected None

DECISION

1. That the Report of the Assistant Director (Resources) (RD.28/11) regarding the draft Capital Strategy 2012/13 to 2016/17 be received.
2. That the draft Capital Strategy be made available for consideration by the Resources Overview and Scrutiny Panel.

Reasons for Decision

To consult with the Resources Overview and Scrutiny Panel on the draft Capital Strategy for 2012/13 to 2016/17