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| Title of Report: | Capital Strategy and Programme 2015/16 to 2019/20 |
| Report to be considered by: | Council |
| Date of Meeting: | 03 March 2015 |
| Forward Plan Ref: | C2746 |

Purpose of Report: To outline the five year Capital Strategy for 2015/16 to 2019/20, including the Minimum Revenue Provision (MRP) statement and the Asset Management Plans for property and highways, and to set out the funding framework for Council's five year Capital Programme for 2015/16 to 2019/20.

Recommended Action: To approve the Capital Strategy and Programme 2015/16 to 2019/20

Reasons for decision to be taken:

1. To enable the Council to align resources to agreed Council priorities.
2. To clarify the processes and procedures to ensure that the Capital Programme is managed in accordance with the Council Strategy.
3. To provide a mechanism for the effective medium term planning of capital resources.
4. To ensure effective, efficient and economic use of the Council's assets and resources, and achieve best value for money.

Other options considered: N/A

Key background documentation: Capital Strategy and Programme 2014/15–2018/19
Medium Term Financial Strategy 2015-16 to 2017/18
Investment and Borrowing Strategy 2015/16
Capital Strategy Group papers
The Council Strategy 2014-18

The proposals contained in this report will help achieve the following Council Strategy priorities:

- CSP1 - Caring for and protecting the vulnerable**
- CSP2 - Promoting a vibrant district**
- CSP3 - Improving education**
- CSP4 - Protecting the environment**

The proposals will also help achieve the following Council Strategy principles:

- CSP5 - Putting people first**
- CSP6 - Living within our means**
- CSP7 - Empowering people and communities**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:
 Ensuring that investment in the Council's assets and systems makes best use of available resources to maximise the benefit to the West Berkshire community in line with the Council Strategy 2013-17.

| Portfolio Member Details | |
|---|--|
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| Date Portfolio Member agreed report: | 3 rd February 2015 |

| Contact Officer Details | |
|-------------------------|--------------------------|
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Implications

- Policy:** The Capital Strategy is aligned directly to both the Council Strategy 201-2018 and the Medium Term Financial Strategy (MTFS).
 The policy implications arising from the Prudential Framework are set out within the report.
- Financial:** The programme allocates £40.5 million of Council capital resources over five years. This includes £4.1 million from capital receipts from assets which are expected to be sold over the next year with the remainder to be funded from borrowing. The cost of borrowing will be reflected in the Revenue Budget and the Medium Term Financial Strategy.
- Some capital spending will be financed from external funding, including some government capital grants from 2015/16 onwards which have still to be confirmed. The level of spend in future years may need to be reviewed depending on the actual level of capital receipts and government grants.
- The Strategy also includes the statement on Minimum Revenue Provision (MRP) required in accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.
- Personnel:** A proportion of the Council's establishment is funded directly by the Capital Programme where it can be demonstrated that staff directly support and help to deliver the capital programme.
- Legal/Procurement:** The Capital Strategy contains Prudential Indicators that are mandatory under the Capital Finance Act 2003
- Property:** The proposed Capital Programme will provide for maintenance and improvements to a number of existing Council buildings. The

level of funding available for the proposed programme is partly dependant on final decisions still to be made about the disposal of some Council land and buildings.

Risk Management: Strategic risks relating to the Capital Programme are set out in the Council's Strategic Risk Register. Individual programmes/projects will have their own Risk Management Plans.

| Is this item relevant to equality? | Please tick relevant boxes | Yes | No |
|--|----------------------------|-------------------------------------|-------------------------------------|
| Does the policy affect service users, employees or the wider community and: | | | |
| • Is it likely to affect people with particular protected characteristics differently? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Is it a major policy, significantly affecting how functions are delivered? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Will the policy have a significant impact on how other organisations operate in terms of equality? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| • Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics? | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Does the policy relate to an area with known inequalities? | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality) | | | |
| Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia | | | <input checked="" type="checkbox"/> |
| Not relevant to equality | | | <input type="checkbox"/> |

| Is this item subject to call-in? | Yes: <input type="checkbox"/> | No: <input checked="" type="checkbox"/> |
|---|-------------------------------|---|
| If not subject to call-in please put a cross in the appropriate box: | | |
| The item is due to be referred to Council for final approval | | <input checked="" type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council | | <input type="checkbox"/> |
| Delays in implementation could compromise the Council's position | | <input type="checkbox"/> |
| Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months | | <input type="checkbox"/> |
| Item is Urgent Key Decision | | <input type="checkbox"/> |
| Report is to note only | | <input type="checkbox"/> |

Executive Report

1. Introduction

- 1.1 This report sets out the Capital Strategy and Programme for the five year period 2015/16 to 2019/20. Its aim is to ensure that the Council's highest priorities for capital investment can be delivered within the financial constraints which the Council faces.

2. Proposals

- 2.1 The Capital Strategy and Programme comprises:

- The five-year Capital Strategy including the Minimum Revenue Provision (MRP)
- An analysis of the funding of the proposed Capital Programme 2015 to 2020, including the cost of borrowing to fund capital investment.
- The proposed five-year Capital Programme and asset management plans for property and highways.

- 2.2 The programme helps to deliver the Council Strategy 2014-2018 by providing investment in the following key priority areas:

- Protecting the Vulnerable: £10.1 million for assets to support the care of older people and people with physical, sensory or learning disabilities and looked after children;
- Promoting a Vibrant District: £44.0 million for maintenance and improvement of highways; £2.5 million for maintenance and improvement of parks, open spaces sporting and cultural facilities; and £1.7 million to facilitate the delivery of superfast broadband across the majority of West Berkshire;
- Improving Education: £65.1 million for new school places and improvement of school buildings.

- 2.3 The programme also fully funds a number of items which were identified as budget pressures during the budget build process, without exceeding the agreed revenue envelope for capital financing. These include:

- forecast basic need for new school places;
- permanent expansions to school kitchens to provide universal infant free school meals;
- maintenance and improvement of the Council's key ICT systems, including the replacement of the RAISE system for management of social care cases and budgets
- resurfacing of the car park for Shaw House.

3. Equalities Impact Assessment Outcomes

- 3.1 The capital strategy itself does not have any direct equalities impact, but more detailed equalities assessments will be carried out for any new schemes within the capital programme, or potential asset transfers, prior to implementation.

4. Conclusion

- 4.1 The proposed Capital Programme is expected to be sufficient to provide for the Council's main capital investment priorities for 2015/16 to 2019/20 (subject to the future level of government grants, developers' contributions and capital receipts). However, in order to allow for any changes in the expected levels of future funding and to allow for any emerging budget pressures, the programme will be kept under review with a view to identifying additional funding, where required, without exceeding the agreed revenue funding envelope.

Appendices

Appendix A – Capital Strategy and Programme 2015/16 to 2019/20

Consultees

Local Stakeholders: N/a

Officers Consulted: Corporate Board, Capital Strategy Group

Trade Union: N/a