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# Capital Strategy and Programme 2018/19 to 2022/23

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<b>Committee considering report:</b>	Executive on 19 February 2018 Council on 1 March 2018
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	23 January 2018
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<b>Forward Plan Ref:</b>	C3276

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## 1. Purpose of the Report

- 1.1 To outline the five year Capital Strategy for 2018 to 2023, 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 2018/19 to 2022/23.

## 2. Recommendation

- 2.1 To recommend to the Council that the Capital Strategy and Programme 2018/19 to 2022/23 be approved.

## 3. Implications

- 3.1 **Financial:** The draft programme allocates £73.6 million of Council capital resources over five years to be funded mainly from prudential borrowing. This level of investment is expected to require an annual increase in the revenue budget for capital financing of £500k per year from 2018/19 to 2022/23. These increases are reflected in the proposed Revenue Budget 2018/19 and the Medium Term Financial Strategy 2018/19 to 2020/21.

Some proposed capital spending will be financed from capital receipts government capital grants, S106 and CIL. Some of these funds, particularly those expected to be available from 2019/20 onwards, 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 future level of CIL funding is particularly uncertain at this stage and will need to be kept under close review.

- 3.2 **Policy:** The Capital Strategy is closely aligned to the Council Strategy 2015-2019.

The policy implications arising from the Prudential Framework are set out within the report.

- 3.3 **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
- 3.4 **Legal:** The Capital Strategy contains Prudential Indicators that are mandatory under the Capital Finance Act 2003.
- When the final programme has been approved by Council, the budget managers will have the authority to let contracts for the schemes included in the 2018/19 programme in accordance with the Council's Contract Rules of Procedure.
- 3.5 **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
- 3.6 **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.

#### 4. Other options considered

- 4.1 Not applicable

## 5. Executive Summary

### 5.1 Introduction.

This report sets out the draft Capital Strategy and Programme covering the five year period 2018/19 to 2022/23. Despite ongoing pressure on the revenue budget, the Council continues to make significant investment in the future of West Berkshire through its capital programme. The programme continues to be supported by an annual increase in the revenue budget for capital financing which has remained unchanged at £500k per year, with no allowance for inflation, since 2011.

### 5.2 Proposals.

The Capital Programme helps deliver the key priorities for improvement in the Council Strategy 2015-2019 by proposing investment over the next five years in the following key areas:

- ***Improving Educational Attainment and Closing the Educational Attainment Gap:*** £69.8 million for new school places and improvements to school buildings;
- ***Key Infrastructure Improvements in Relation to Roads:*** £55.5 million for maintenance and improvement of highways
- ***Regeneration and The Digital Economy:*** £4 million to facilitate the delivery of superfast broadband across West Berkshire;
- ***Safeguarding Children and Vulnerable Adults:*** £15.7 million for occupational health equipment, home adaptations and supported living for vulnerable adults and looked after children and £1.9m to improve the supply of temporary accommodation for people at risk of becoming homeless;
- ***Supporting Communities to do More to Help Themselves:*** £3.7 million for maintenance and improvement of parks, open spaces sporting and cultural facilities and £0.5m for grants to support community projects.
- ***Becoming and Even More Effective Council - Living Within our Means:*** £30m for investment in commercial property in order to generate revenue income to help meet the running costs of Council services.

### 5.3 Equalities Impact Assessment Outcomes.

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.

## 6. Conclusion

The proposed programme allows for all the most urgent capital investment priorities identified by services to help implement the Council Strategy over the next five years. The proposed programme relies on some sources of external funding which have not yet been confirmed for the later years of the programme - the future level of CIL receipts is particularly uncertain at this stage. Programme priorities and the availability of funding will therefore need to be kept under review, and changes may need to be made to the programme in future years.

## 7. Appendices

- 7.1 Appendix A – Capital Strategy and Programme 2018/19 to 2022/23
- 7.2 Appendix B – Equalities Impact Assessment
- 7.3 Appendix C – Summary of Capital Programme 2018/19 to 2022/23
- 7.4 Appendix D – Detailed Breakdown of Capital Programme 2018/19 to 2022/23
- 7.5 Appendix E – Overview of Property Asset Management Strategy
- 7.6 Appendix F – Highways Asset Management Strategy