
Report to: **FINANCE & MANAGEMENT**

AGENDA
ITEM:

10

Date of Meeting: **29th April 2004**

CATEGORY:

Report from: **CHIEF FINANCE OFFICER**

Open

Members' Contact Point **TERRY NEAVES (Ext 5800)**

Doc:

Subject: **Capital Strategy**

Ref: TN

Ward(s) Affected **All**

Terms of Reference:
FM 08

1. **Recommendations**

Members are asked to approve the Council's Capital Strategy 2004/5

2. **Purpose of Report**

2.1 To ask members to consider the revised Capital Strategy 2004/5

3. **Detail**

3.1 The Capital Strategy was last prepared in 2002. At that stage, all Council's were required to submit a Capital Strategy to their Government Office.

3.2 In 2002 the Council's Capital Strategy was judged satisfactory. This exempted the Council from submitting further updated strategies to the Government Office.

3.3 The Capital Strategy still remains an important document to set the framework for future capital investment.

3.4 It is therefore important that this document is reviewed by members to ensure that it remains relevant.

Review of Strategy

3.5 The strategy has now been updated to reflect the following key changes since it was last written

- **3 Year Corporate Plan** – the strategy consider how capital spending priorities can align to the new 3-year plan
- **Prudential Code** – the strategy considers how the opportunities provided by the code to generate existing capital investment can be used.
- **Business Improvement Districts** – how these may impact on the availability of capital resources

- 3.6 Essentially the strategy tries to highlight the Council's capital spending priorities and the options available to it to fund these priorities.
- 3.9 Two key elements underpin the strategy
- **Partnership Working** – the strategy recognises the need to work with partners to generate additional support for capital schemes
 - **Responsible bidding** – the strategy also recognises the need to only bid for funds to contribute to schemes that are consistent with Council aims and objectives.

4. Financial Implications

- 4.1 The financial implications are set out clearly in Annex E to the strategy.
- 4.2 Members need to be aware that there is much work to do to identify additional resources to fund the projected capital programme included within the strategy.
- 4.3 The potential funding resources are identified but the council faces a key challenge in identifying resources to fund its programme beyond 2006/7.

5. Summary & Conclusions

- 5.1 The Capital Strategy provides a sound basis for planning capital investment and funding over the next five years.

Terry Neaves
Chief Finance Officer