
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	22nd OCTOBER 2009	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	DOC: u/ks/capital/capital strategy covering report 09
SUBJECT:	A REVIEW OF THE COUNCIL'S CAPITAL INVESTMENT STRATEGY	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 That the Council's updated Capital Investment Strategy is considered and approved.

2.0 Purpose of Report

2.1 To demonstrate a good use of its resources, it is considered best practice that the Council reviews its capital investment strategy on a regular basis and at least once a year.

2.2 The Council aims to do this prior to the annual budget round, which for 2010/11 is now commencing.

2.3 The strategy sets out the specific ways in which capital investment will help deliver the Council's priorities and how this investment will be financed.

3.0 Executive Summary

3.1 Capital investment is a key factor to enable the delivery of the Council's services and priorities. Therefore, it is important that capital investment, including the identification of funding to deliver it, is planned and managed carefully. This strategy is intended to do that.

3.2 The following areas are covered:

- A definition of capital.
- An outline of how investment is planned and managed.
- A profile of the District, the Council - its priorities and issues.
- The resources available to the Council for capital investment.
- Targeted areas for investment and the funding strategy.
- A risk assessment.

Timescale

- 3.3 The strategy is medium-term to fit in with the Council's corporate planning framework. Clearly, the strategy may develop in response to new financial opportunities/risks and new policy directions.
- 3.4 Therefore, the strategy is reviewed on a regular basis and at least annually. It is updated where necessary.

4.0 Detail

- 4.1 The detailed strategy is appended to this covering report. A key issue for the Council is the limited resources in the form of retained capital receipts that are available for future investment.
- 4.2 Indeed, the latest projections on capital investment as reported to the Council in September 2009, highlighted a projected shortfall in financing all commitments over the next 5-years, of approximately £2m. This mainly covers covenant repayments and vehicle replacements. Furthermore, pressures have been identified to meet the demand for disabled facility grants.
- 4.3 Against this, capital investment is considered to be an essential factor in delivering the Council's priorities. Although there may be further capital receipts generated in the future from the sale of surplus assets in particular, these are by no means guaranteed and cannot be currently anticipated when considering new investment.
- 4.4 Clearly, if further capital investment is to be made, in particular in non-housing areas, as the strategy highlights, the Council will need to continue its excellent track record of leveraging in external funding and by working in partnership.

5.0 Financial Implications

- 5.1 None.

6.0 Corporate Implications

- 6.1 The way in which the Council plans and manages capital investment can have a direct bearing on the Council's main resource, i.e. its staff. The Council's People Strategy recognises this through its framework for workforce planning, training and development, etc.

7.0 Community Implications

- 7.1 A key theme of this strategy is contributing to the vision and priorities of the Council, which are largely formulated after consultation with the local community and other stakeholders.
- 7.2 These then form the Council's Corporate Plan and are represented in other major strategies such as Housing, Crime and Disorder, ICT, Sport and Leisure, Environmental and Development, etc.