

**Meeting of the Cabinet - 13<sup>th</sup> September 2006**

**Report of the Director of Finance**

**Update of the Council's Capital Strategy**

**Purpose of Report**

1. To consider the update of the Council's Capital Strategy.

**Background**

2. The production and annual update of a Capital Strategy is considered to be "Best Practice", and is taken into account in Councils' Comprehensive Performance Assessment (CPA) scores - although there is no longer a direct connection with the allocation of capital resources.
3. The Strategy document is intended to describe how the deployment of capital resources contributes to the achievement of the Council's goals, and to help ensure that assets - and the resources tied up in them - are efficiently and effectively used.
4. It forms an integral part of the strategic financial and service planning within the annual budget setting process and supports decisions on Councils' capital investment under the "Prudential" system.
5. The Capital Strategy also forms part of the Council's Budget and Policy Framework, and can therefore be amended only by the full Council following consideration by the Select Committees.
6. The draft Capital Strategy attached has been thoroughly reviewed compared with the 2005 document. The intention of this has not been to change its fundamental thrust, but to make it a genuinely strategic document, rather than an ever-growing list of detailed issues. Repetition of information more appropriately set out in other documents has also been excluded.
7. It now also clearly sets out the key Capital Investment Priorities for each Directorate over the next five years, linked to the relevant Council Plan theme(s).

## **Finance**

8. As described above, the Capital Strategy forms an integral part of the Council's strategic financial and service planning and supports decisions on capital investment under the "Prudential" system.

## **Law**

9. Section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate or which is conducive or incidental to the discharge of any of its statutory functions.

The production of the strategy is incidental to the Council's various functions outlined in the strategy which are undertaken by the Council pursuant to a range of Local Government related legislation.

## **Equality Impact**

10. The proposed Capital Strategy complies with the Council's policy on equality and diversity.
11. With regard to Children and Young People:
  - The Capital Investment Priorities for Children's Services wholly relate to improving services for children and young people. Other Directorates' investment priorities will also have a significant impact on this group.
  - Consultation is undertaken with children and young people, if appropriate, when developing individual Capital projects.
  - There has been no direct involvement of children and young people in developing the proposals in this report.

## **Recommendation**

12. That the Cabinet agrees the draft Capital Strategy attached as the basis of consultation with Select Committees.



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**Mike Williams**

**Director of Finance**

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## **List of Background Papers**

Community Strategy

Council Plan