

**Meeting of the Select Committee on Community Safety
- 29th September 2005**

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 new "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 not been fundamentally changed compared with 2004, and indeed one characteristic of a "good" strategy is that it should remain relevant for a number of years. On the other hand, it also needs to be a relevant working document, reflecting current circumstances and priorities, and to this end the draft Strategy has been amended and updated where necessary. Significant amendments this year are as follows:
 - Reference to review of the Community Plan through the Dudley Borough Challenge (para 3).

- Reference to bidding for external funding especially Targeted Capital Funding (TCF) to replace those school buildings with the most urgent need (para. 9).
- Reference to the outcome of the recent Housing Option Appraisal (para. 10).
Note: this has been updated since the draft Capital Strategy was approved by Cabinet in June.
- Reference to the impact of “Every Child Matters”, the Children Act 2004, and the Green Paper “Independence, Well-Being and Choice” etc. on Social Services asset needs (para. 12).
- Reference to staff accommodation issues within Social Services’ investment priorities (para. 12).
- Updated information on the prioritisation of capital projects (para. 19).
- Latest details of the Castle Hill Redevelopment (para. 31).
Note: this has been updated since the draft Capital Strategy was approved by Cabinet in June.
- Updated information on the regeneration of Dudley Town Centre (para. 32).
- Information on Directorate Asset Plans (para. 41).
- Reference to new procurement mechanisms for the delivery of building repairs, maintenance and minor capital projects (para. 44).
- Details of improvements in project management procedures etc., arising from the 2003 Corporate Assessment (para. 46).
- Latest information on “Dudley Council Plus” (para. 53).
- Information on the future of Neighbourhood Renewal, particularly in the context of the new Community Strategy (para. 55).

Finance

7. 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

8. 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.

Equality Impact

9. The Capital Strategy complies fully with the Council's policies on equal opportunities. In particular, through this Strategy and the Asset Management Plan the Council will be seeking to comply with its responsibilities with regard to access for disabled people to its buildings.

Recommendation

10. It is recommended that:
 - The Select Committee considers the attached draft Capital Strategy and raises any issues it wishes to be taken into account when the Strategy is considered by full Council.



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Background Papers

Government guidance on Capital Strategies.
Community Plan
Council Plan.