
CAPITAL STRATEGY – 2006/07

1 SUMMARY

- 1.1 This report presents the Draft Capital Strategy for approval. The Strategy (Appendix 1) sets out the basis for the authority's capital investment and should reflect the corporate decision-making process, corporate priorities and links with all other strategies and plans.

2 INTRODUCTION

- 2.1 In previous years, there was a requirement to submit a Capital Strategy annually for assessment as part of the Single Capital Pot regime, used for the allocation of Central Government capital support to local authorities. The Capital Strategy for 2005 achieved a "good" assessment.
- 2.2 The Strategy no longer needs to be submitted for assessment.

3 DISCUSSION

- 3.1 Within the Capital Strategy is the section dealing with prioritisation of capital investment. The Council has previously set the following key priorities and targets for the Capital Programme:-

- ❖ Investment in statutory and priority services to ensure the continuation of essential services and value for money.
- ❖ Ensure that landlord and owner responsibilities are undertaken including priority items identified through the asset management plan.
- ❖ Improve infrastructure that has an influence on economic activity and the well being of the Authority. This mainly relates to the improvement of town and village centres.
- ❖ Priority items flowing from key strategy documents.

- 3.2 It is proposed that an additional criteria be added as follows:-

- ❖ Schemes bringing a high percentage of external funding.

This will allow the Council to retain an element of flexibility within its capital planning process to take on projects that may arise outside of the annual timetable for setting budgets.

3.3 It is proposed that any schemes which arise during the year outside the normal budget process should only be considered if they meet a key service need and one or more the following criteria:-

- ❖ High percentage of external funding has been made available.
- ❖ There is a limited time span for carrying out the investment.
- ❖ The requirement is an extraordinary service demand which could not have been anticipated in the normal planning process.

4 RISK IMPLICATIONS

Effective capital planning is an essential component of the new prudential capital finance system introduced in April 2004. Comprehensive Performance Assessments will continue to take account of the way local authorities utilise their resources.

4.1 Resource Risk

Effective capital planning ensures that our limited capital resources are targeted at achieving the Council's main objectives and key priorities.

5 RESOURCE IMPLICATIONS

5.1 The Capital Programme will be submitted to Council as part of the Budget Strategy and decisions regarding the Programme should take account of the approved Capital Strategy.

6 RECOMMENDATION

6.1 It is proposed that the Council **RESOLVES** to agree the Capital Strategy.

Dave Deeks

Head of Financial Services

Background Papers:-

None

For further information please contact Yvonne Woodward on:-

Tel:- 01702 546366 ext 3101
E-Mail:- yvonne.woodward@rochford.gov.uk