

# Executive



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Report of **Head of Finance**

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Wards Affected:  
None

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## **Capital Strategy 2010/11 – 2014/15**

### **Recommendation**

That Executive recommends Council to approve the capital strategy 2010/11 to 2014/15 as attached as Appendix A and to note paragraph 21 where the £5m minimum capital cash fund is set down and to bear this in mind as we run capital receipts ever lower.

### **Purpose of Report**

1. To request the executive to recommend council to approve the capital strategy 2010/11 to 2014/15. The capital strategy provides the overall policy framework for capital investment and the holding of capital assets, based on the council's corporate strategy, and is linked to the council's medium term financial strategy.

### **Strategic Objectives**

2. Having an up-to-date capital strategy assists the council in meeting its strategic objective of managing our business effectively. By determining the framework within which decisions on capital expenditure are made the strategy will ensure that such decisions assist the council in meeting its other strategic objectives.

### **Background**

3. It is good practice to have a capital strategy and is something the audit commission looks for as part of its use of resources assessment. The council's current strategy was last updated in 2008 and written to a structure laid down in 2004 at the time by the then Office of the Deputy Prime Minister.
4. The capital strategy was viewed as integral to the asset management strategy (AMS) which is owned by the [Executive (if formal)/Asset Management Group (if informal)].

5. The capital strategy for 2010/11 to 2014/15 is attached as appendix A to this report. The strategy provides the overall policy framework for capital investment. It does this by bringing together the requirements of the council's strategic objectives and clarifying the parameters set as to how capital schemes can be progressed from initial idea through to conclusion.
6. Consequently, the strategy sets out how the council:
  - Develops its capital expenditure plan in a way that supports its strategic objectives and reflects the views of the community.
  - Ensures options for expenditure are developed and appraised.
  - Evaluates, monitors and reports on capital proposals, activity, progress and resources.
  - Manages and monitors its expenditure.
  - Reviews its existing assets to ensure optimum usage and management.
  - Seeks to maximise funding from third parties and involve partnership development.
  - Use planning agreements to secure capital and capital investment within the district.
  - Use revenue and leasing arrangements where appropriate.
7. The capital strategy is an update of the previous version, it reflects the new strategic objectives and will be reviewed annually.

### **Financial Implications**

8. There are no direct financial implications arising from implementing the strategy.

### **Legal Implications**

9. None.

### **Human Resource Implications**

10. None.

### **Sustainability Implications**

11. The report is concerned with ensuring the Council can fund its capital requirements over the medium term.

### **Conclusion**

12. This report provides details of the proposed capital strategy for 2010/11 to 2014/15 and asks executive to recommend the capital strategy to council. These documents provide the parameters within which capital expenditure decisions will be made.

### **Background papers**

CIPFA Prudential Code for Capital Finance in Local Authorities.