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OXFORD CITY COUNCIL

To:	**City Executive Board**
Date:	**12 February 2019**
Report of:	**Head of Financial Services**
Title of Report:	**Capital Strategy 2019/20 – 2023/24**

Summary and recommendations	
Purpose of report:	To present the Capital Strategy for approval.
Key decision:	No
Executive Board Member:	Councillor Ed Turner
Corporate Priority:	Efficient and Effective Council.
Policy Framework:	Constitution.
Recommendations:	That the City Executive Board resolves to:
Recommend that Council approves: The Capital Strategy attached at Appendix A	

Appendices	
Appendix A	Capital Strategy 2019/20 – 2023/24

Introduction and background

1. Paragraph 18.11 of the Council's Constitution requires that a Capital Strategy is prepared which includes:
    a. The principles the Council will follow in its capital planning and management;
    b. The methodology for inclusion of schemes within the Capital Programme; and
    c. The arrangements for the effective management of capital schemes.
2. The CIPFA 2017 Prudential Code introduces a requirement that Councils prepare and approve a Capital Strategy. This requirement includes consideration of non

Treasury investments such as Investment Properties and loans to other organisations. The Council's Capital Strategy has therefore been fully reviewed to ensure that the requirements of the CIPFA Prudential Code have been taken into account.

3. There is a link between the Capital Strategy and the Treasury Strategy through cashflow implications and borrowing strategies. To aid clarity the Treasury Strategy includes all Treasury implications including the Minimum Revenue Provision policy and the Capital Strategy is restricted to non-Treasury Management matters where possible.
4. The Council continues to have a significant capital investment programme and established a methodology for identifying, selecting and monitoring capital projects a few years ago. This methodology has recently been reviewed and is still being refined. An outline of the methodology can be found in the Capital Strategy.
5. The Council believes that capital programme delivery is essential to support the services that the Council provides to its customers. To this end a new Project Management Office and associated Project Development Team have been constituted and resourced. The Project and Gateway Process has subsequently been fully reviewed and revised.
6. All capital schemes and major projects are assessed and filtered by the Project Management Office prior to being passed through to the Operational Delivery Group or the Development Board and then through to Corporate Management Team.
7. The Council's updated Capital Strategy, which is attached at Appendix A, sets out the approval process for schemes getting into the Programme as well as the governance arrangements in place to manage delivery. The revised processes (as detailed in the Strategy) set out a clearer path for approving a scheme for inclusion in the capital programme. Its aim is to ensure greater clarity about schemes in the programme and stronger monitoring, in order to improve delivery and assist in prioritisation.
8. The Strategy also sets out the various funding sources available for capital projects and how these might change over time. It also aims to set out the issues the Council needs to consider over the medium to long term.

Financial implications

9. The Capital Strategy provides a rationale for evaluating, managing and monitoring the Council's Capital Programme in order to secure delivery of the Programme and its objectives in the most cost effective manner.

Legal issues

10. There are no legal implications directly arising from this report.

Level of risk

11. There are not risks directly arising from this report. Risks to delivery of individual projects are identified and monitored as part of the capital scheme approval and monitoring process.

Equalities impact

12. The procurement of capital works will be undertaken in line with the Council's policies to support the payment of a living wage and making apprenticeship and training opportunities available to local people. Many of the facilities funded out of the Capital Programme – such as community centres and social housing – will facilitate the narrowing of inequality in Oxford. There is no requirement to provide an Equalities Impact Assessment for this report.

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Background Papers: None

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