

DRAFT

To: City Executive Board

Date: 14th May 2015

Item No:

Report of: Head of Finance

Title of Report: Capital Strategy

Summary and Recommendations

Purpose of report: To present a Capital Strategy for approval.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Improving value for money and service performance
(Corporate Plan 2015-2019)

Recommendation(s):

That the City Executive Board Approve the Capital Strategy attached at
Appendix A

Appendices

Appendix A – Capital Strategy 2015/16 – 2018/19

Appendix B – Project Brief

Appendix C – Project Initiation Document (PID)

Appendix D – Monthly Monitoring Form

Appendix E – Project Closure Statement

Appendix F – Capital Gateway Process

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
 - c. the arrangements in place for the effective management of capital schemes
2. The Council has recently embarked upon a significant capital investment programme and has introduced a new methodology for identifying, selecting and monitoring capital projects. The Capital Strategy, which is appended to this report, sets out the approval process for schemes getting into the Programme, as well as the governance arrangements in place to manage delivery.
 3. 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 both the challenges and aspirations the Council needs to consider over the medium to long term.

Changes Introduced

4. The introduction of the new Capital Gateway process (see Appendix F) aims to ensure successful delivery of the Council's Capital Programme.
5. Given the financial pressures on the General Fund there is limited use of prudential borrowing to finance the General Fund Capital Programme. The financial robustness of the 30 year Housing Revenue Account (HRA) Business Plan does however, create an opportunity to undertake borrowing to finance the Programme of new build and housing refurbishment. The Medium Term Financial Plan makes provision for the use of an additional £32 million of borrowing over the next 10 years.
6. The Capital Programme Management Group (an officer working group) that will co-ordinate and advise Project Managers and staff regarding capital bids and monitor delivery of the Council's Capital Programme.

Legal Implications

7. There are no legal implications directly relevant to this report.

Financial Implications

8. There are no financial implications directly arising from this report.

Environmental Impact

9. The Capital Strategy does identify the growing and relevant environmental issues that need to be considered when selecting capital projects.

Level of Risk

10. There are no risks directly arising from this report. Risks to delivery of individual projects are identified and monitored as part of the capital monitoring process.

Equalities Impact

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

Name and contact details of author:-

Name: Nigel Kennedy

Job title: Head of Finance

Service Area / Department: Finance

Tel: 01865 252708 e-mail: nkennedy@oxford.gov.uk,

List of background papers: None

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