

To: City Executive Board
Date: 13 February 2018
Report of: Head of Financial Services
Title of Report: Capital Strategy 2018/19 – 2021/22

Summary and recommendations	
Purpose of report:	Capital Strategy 2018/19 – 2021/22
Key decision:	No
Executive Board Member:	Councillor Ed Turner
Corporate Priority:	Efficient and Effective Council.
Policy Framework:	Constitution.
Recommendation(s): That the City Executive Board resolves to:	
1 Approve the Capital Strategy attached at Appendix A	

Appendices	
Appendix A	Capital Strategy 2018/19 – 2021/22 (includes appendices a-f)

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 Council continues to have a significant capital investment programme and has introduced a methodology for identifying, selecting and monitoring capital projects. Whilst there are still some areas for improvement the principles of the 'Gateway' system is well established.
3. 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.

4. 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.

Changes Incorporated within the Strategy

5. A small number of changes are proposed within the Strategy at Appendix A, these are outlined below and are cross-referenced to the Strategy:
6. Inclusion of items required due to changes in the CIPFA's Treasury Management Code of Practice relating to the loans to companies and investments in property funds and how these differ from the Councils capital expenditure. Specifically the principles of what is a capital investment (Appendix A paragraph 2.2); collation of knowledge and skills (Appendix A paragraph 10.4); overview of governance processes (Appendix A paragraph 10.5); outline of due diligence and risk appetite relating to commercial activities (Appendix A paragraph 14.2)
7. Changes to the name and membership of the Major Projects Board and Capital Programme Operational Group to reflect changes in officers and organisational structure (Appendix A paragraph 10.5).
8. Reference to the new LATCO company and the ownership of its assets. (Appendix A paragraph 16).

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.

Report author	Anna Winship
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Job title	Management Accounting Manager
Service area or department	Financial Services
Telephone	01865 252517
e-mail	awinship@oxford.gov.uk

Background Papers: None

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