

Report to the Council

Committee: Cabinet

Date: 22 February 2011

Portfolio Holder: Councillor C Whitbread
(Finance and Economic Development)

Item: 10

1. CAPITAL STRATEGY – 2010-2015

Recommending:

... **That the attached Capital Strategy 2010-2015 be approved.**

Background

1. Although local authorities are not required to revise the Capital Strategy annually, it is felt important to do so in order to ensure that it is up-to-date. Also, a good Capital Strategy enables the Council to make sound strategic decisions in relation to its use of capital resources and forms an important part of the Council's Performance Management and Financial Planning frameworks.
2. The Capital Strategy is a key "high level" strategic document and is linked to all other key corporate and strategic documents produced by the Council and its partners; including the Corporate Plan, the Sustainable Community Strategy, and the Asset Management Plan.
3. Each year, the Council's strategic aims and priorities are used to re-assess the key capital priorities and we have reconsidered the ranking of each key priority as part of our consideration of the Capital Strategy. The order of importance will subsequently influence future decisions regarding individual capital projects.
4. The Capital Strategy also details past capital investment achievements, looks at committed schemes over the period 2010/11 – 2014/15 and considers proposed projects over the same period. It identifies partnership arrangements with other councils and organisations, which aim to enhance the Capital Programme, and sets out the funding approved to date, having regard to forecast income generation.

Current Schemes and Expenditure Forecasts

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5. The attached Capital Strategy has been updated with current schemes and expenditure forecasts as contained within the latest Capital Programme approved by us on 25 October 2010 as part of the Capital Review. Since that time, there have been some small revisions to the timing of some schemes to reflect latest predictions, these include: contributions to Affordable Housing; North Weald Market Infrastructure Improvement Works; CCTV installations at Loughton Broadway; the Limes Farm Hall Development; and the Construction of the Waltham Abbey All-Weather Pitch.
 6. A further change made since the Capital Review was agreed, is the decision to move business premises from the Housing Revenue Account into the General Fund from 31 March 2011 and this has been reflected in the Capital Programme.

7. At our meeting on 31 January 2011 we made the following further amendments:
 - (a) the approval of the planned Maintenance Programme 2011/12 to 2014/15;
 - (b) the removal of the Customer Services Transformation Programme, currently allocated £1.307 million;
 - (c) the removal of the Private Sector Capital Contingency, currently allocated £530,000; and
 - (d) the removal of the General ICT allocation for the years 2012/13 to 2014/15, currently allocated £900,000 in total, with bids to be made for funding from this time onwards.
8. We have also asked for further reports so that we can review the progress on the compulsory purchase of 8/8a Sun Street in Waltham Abbey, currently allocated £378,000 in 2011/12 and the progress of the construction of off-street parking schemes on housing estates, currently allocated £2.44 million over five years.

Key Capital Priorities

9. We have reviewed the ranking of the Council's key capital priorities in the light of fulfilling the Council's aims and objectives. The key capital priorities have been included in Section 5.1 of the Capital Strategy and it will be noted that we are not proposing any change to the ranking order.

Key Capital Schemes 2010-2015

10. Having considered various options for capital investment, the Capital Programme has been formulated to meet the key capital priorities. The proposed schemes are ranked in priority order in Section 6 of the Strategy.
11. We recommend as set out at the commencement of this report.