

# Report to the Council

**Committee:** Cabinet

**Date:** 19 December 2006

**Portfolio Holder:** Councillor J Knapman

**Item:** 12(c)

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## 1. CAPITAL STRATEGY 2006-2011

### Recommending:

... That the attached draft Capital Strategy 2006-2011 be approved.

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- 1.1 It is no longer necessary for the Council to submit the Capital Strategy to the Government Office for assessment but there is an expectation that the Strategy will continue to be produced and updated. Whilst there is no requirement to update the Strategy annually, it is considered important to do so in order to ensure that it is kept up-to-date. 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 framework.
- 1.2 No major changes are proposed to the format or text of the Capital Strategy. It has been updated with current schemes and expenditure forecasts as contained within the latest Capital Programme approved by the Cabinet on 4 September 2006 as part of the Capital Review. Since then, the estimated final cost of Phase II of the Loughton High Road Town Centre Enhancement Scheme has risen to £1.64m which represents an increase of £225,000. Additional capital estimates in the sums of £35,000 for a replacement plate maker and £143,000 for maintenance works to the Civic Offices in 2007/08 had also been included, but we removed these due to the continuing uncertainty over the potential cost of the waste management contract.
- 1.3 We have considered the future budgetary provision for the Town Centre Enhancement Project in Loughton High Road. The further two phases had been planned in order to complete the project, but no provision made in the Capital Programme for Phases III and IV. We are of the view that the funding of these future phases should be reviewed when additional capital funding is identified, particularly from the disposal of landholdings and when the design guide has been reviewed in order to ensure no further loss of trees from the area.
- 1.4 We have also considered the Customer Services Transformation Programme and are of the view that this should be deferred until further capital funding becomes available.
- 1.5 We have considered the Council's Key Capital Priorities as originally approved in November 2005 and are proposing that these be re-affirmed. In April 2006, we agreed to increase the contributions for the provision of affordable housing within the District by a further £500,000 to be funded by savings elsewhere within the Capital Programme. However, the requisite savings have not been identified within the Capital Programme and this item has been excluded from the Strategy.

... 1.6 The attached draft Strategy is based on the Council's currently approved Capital Programme and takes account of the latest guidance on capital accounting arrangements for local government. Accordingly we recommend that it be approved.