



Plane existing surface to depth of 40mm.Surface Course 40mm consolidated thickness of 10mm aggregate SMA min PSV 55

Edge plane existing surface 1.5m wide to depth of 0-40mm.Surface Course 40mm consolidated thickness of 10mm aggregate SMA min PSV 55

Rev					
Status	Description	Drawn	Ch'kd	Auth	Date
Project	Bestwood Lodge Drive, Arnold				
Status for quotes	Project No. T.B.C				
Title					
CARRIAGEWAY SURFACING PLAN					
Scale	Drawn	TE		Date Aug 20	
	Ch'kd	SW		Date Aug 20	
	Auth	RO		Traced	
Drawing No.		Rev			
T.B.C					

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# **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

# **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

## **1. INTRODUCTION**

This Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment proposals. The principal aim is to deliver an affordable programme of capital investment consistent with the Council's financial strategy and that contributes to the achievement of the Council's priorities and objectives as set out in the Gedling Plan.

The Strategy defines at the highest level how the capital programme is to be formulated and designed; it identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed.

As well as detailing the approved capital investment programme over the forthcoming three years, the document also sets out the Council's ambitions over the medium to longer term.

The basic elements of the Strategy therefore include:

- A direct relationship to the Gedling Plan;
- A framework for the review and management of existing and future assets (the Property Asset Management Plan);
- An investment programme expressed over the medium term;
- A document that indicates the opportunities for partnership working;
- A framework that prioritises the use of capital resources;
- A consideration of the need to pursue external financing (grants, contributions etc.), which reconcile external funding opportunities with the Council's priorities and organisational objectives, so that it is the achievement of the latter that directs effort to secure the former;
- A direct relationship with the Treasury Management Strategy, and the limitations on activity through the treasury management Prudential Indicators;

This document is intended for the use by all stakeholders to show how the Council makes decisions on capital investment:

- for the Cabinet and Council – to decide on capital investment policy within the overall context of investment need/opportunity and affordability;
- for Councillors – to provide an understanding of the need for capital investment and help them scrutinise policy and management. Training will be provided as necessary to support this scrutiny process;

## CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

- for Officers – to provide an understanding of the Council's capital investment priorities, to assist them in bidding for capital resources, and to confirm their role in the capital project management and monitoring arrangements;
- for taxpayers – to demonstrate how the Council seeks to prudently manage capital resources and look after its assets;
- for partners – to share with them our Vision and help to co-ordinate and seek further opportunities for joint ventures.

The capital programme consists of investment in the Council's own assets and also provides Disabled Facilities Grants to a number of private dwellings during the year. The Capital Programme is approved by Council for a period of 3 years but an Indicative programme for a further 2 years is also completed which matches the 5 year period of the Council's Medium Term Financial Plan. This ensures that longer term forecasts for capital expenditure, disposals and borrowing that are fully reflected in the MTFP are also demonstrated to be affordable and sustainable in the Prudential Indicators for the same period. The current summary capital programme is detailed in the table below:

	Proposed Programme for Approval			Indicative Programme	
	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
<b>Expenditure:</b>					
Gedling Assets	9,868,300	3,022,500	1,581,000	1,000,000	1,179,000
Disabled Facilities Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Programme</b>	<b>10,868,300</b>	<b>4,022,500</b>	<b>2,581,000</b>	<b>2,000,000</b>	<b>2,179,000</b>
<b>Financed by:</b>					
Capital Receipts	610,900	610,100	610,900	50,000	50,000
Direct Revenue Financing	1,139,200	0	0	0	0
Grants and Contributions	3,725,200	1,000,000	1,000,000	1,000,000	1,000,000
Borrowing Requirement	5,393,000	2,412,400	970,100	950,000	1,129,000
<b>Total Financing</b>	<b>10,868,300</b>	<b>4,022,500</b>	<b>2,581,000</b>	<b>2,000,000</b>	<b>2,179,000</b>

## 2. PRINCIPLES SUPPORTING THE STRATEGY

The Capital Investment Strategy reflects the aspirations included within the Council's main strategic documents - principally the Gedling Plan but also other key planning documents such as the Property Asset Management Plan, Treasury Management Strategy and Prudential Code Indicators, Medium Term Financial Plan/Budget Strategy, and the ICT Strategy.

The principles that underpin the Capital Investment Strategy include:

# **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

## Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;
- The use of a rational process for assessing the relative importance of potential schemes.

## Financial Principles:

- The overarching commitment to affordability of investments over the longer term, considering the actual impact, and potential impact, on overall fiscal sustainability;
- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;
- A commitment to developing partnerships, including the pursuit of joint venture and community arrangements where appropriate, to achieve the Council's investment aspirations;
- To pursue all available external funding where there is a direct compatibility with the Council priorities;
- Value for money of investments in assets over their full life cycle.

## Asset Management Principles:

- The development of Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets;
- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the Capital Programme;
- Recognition of the value of surplus properties that are gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals;
- A process of declaring property assets as surplus will be led by the Head of Regeneration and Welfare in consultation with the holding department, who

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements;

- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans, in line with the Localism Act 2011;
- Management of assets to take full account of the Council's wider priorities including its environmental priorities;
- The continuation of financial support to schemes that involve site assembly, which will potentially generate significant capital receipts in the medium term;
- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.
- An assessment of asset condition to determine investment required over the life of the asset to ensure they continue to be fit for purpose in service delivery.

### **Implementation and Management Principle**

- The operation of robust management arrangements for the implementation, updating and review of the Strategy.

### **Links to Other Financial Documents**

#### **Medium Term Financial Plan**

The Capital Strategy is closely linked to the Medium Term Financial Plan (MTFP), where available funding and projected levels of expenditure are set out. The revenue implications of the capital programme are also included in the MTFP, and the affordability of the impact on Council Tax is demonstrated.

#### **Prudential Code**

The Capital Strategy sets out the framework for prioritisation of capital investment decisions. The strategy for funding this investment is underpinned by the Prudential Code for Local Authority investment, which was introduced by The Local Government Act 2003. The Prudential Code has the following key objectives:

- local strategic planning, asset management planning and proper option appraisal are supported;
- The capital investment plans of local authorities are affordable, prudent and sustainable having regard to the long term implications for external

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

borrowing considering the impact, and potential impact, on overall fiscal sustainability;

- Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved;
- The authority is accountable, by providing a clear and transparent framework.

To demonstrate that these objectives have been fulfilled, the Prudential Code details the indicators that must be set and monitored. These are designed to support and record local decision-making, and not to be comparative performance indicators. The Prudential Indicators must be approved by full Council.

The Prudential Code classifies Commercial Property Investment as a non-treasury investment to be reported through the Capital Strategy as the investment is usually driven by expenditure on assets. This is distinct from the core treasury investments of surplus cash which operate under strict principles of security, liquidity and yield as detailed in the Treasury Management Strategy. Where appropriate, the Prudential Code requires that indicators are set that are transparent in respect of Commercial Property Investments to demonstrate that these investments are proportionate to the level of resources available to the authority and that detail:

- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value.

### Treasury Management Strategy

The Treasury Management Strategy links to the Capital Investment Strategy in determining the Council's approach to borrowing and investment, including borrowing to fund capital expenditure. The Treasury Management Strategy is closely related to the Prudential Code and Prudential Indicators discussed above.

The Authority has an integrated Treasury Management Strategy, and has adopted the CIPFA Code of Practice for Treasury Management in Public Services. The Treasury Management Strategy deals with borrowing and investment arising as a consequence of all the financial transactions of the authority, not exclusively those arising from capital spending.

### Statement of Accounts

The capital expenditure carried out in the year which increases asset values is reflected in the Balance Sheet of the Statement of Accounts ensuring



## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

stewardship of assets is demonstrated. The accurate monitoring and recording of capital expenditure ensures that this document is free from material error. The Statement of Accounts is externally audited at the end of each financial year to certify that it presents a true and fair view of the financial position of the Council.

### Procurement Strategy

The manner in which capital monies are spent is determined by the Procurement Strategy, which along with the Contract Standing Orders and Financial Regulations, looks at who can be used to supply goods and services to the Council, and how these goods and services should best be obtained to secure value for money.

### **3. CAPITAL INVESTMENT PRIORITIES**

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Gedling Plan 2020 - 2023 sets out the vision for Gedling. This Vision is intended to be external facing and clearly indicates the Council's ambition for the district and the people within. Underpinning the Council's contribution to the Gedling Plan vision are the priorities. These are:

#### Cohesive, Diverse and Safe Communities

- Promote and encourage pride, good citizenship and participation
- Reduce poverty and inequality and provide support to the most vulnerable
- Improve social mobility and life chances
- Reduce anti-social behaviour, crime and fear of crime

#### Healthy Lifestyles

- Improve health and wellbeing and reduce health inequalities
- Support physically active lifestyles
- Increase recreational activities and users to parks and open spaces
- Reduce levels of loneliness and isolation

#### Sustainable Environment

- Provide an attractive and sustainable environment that local people can enjoy
- Improve transport infrastructure and connectivity
- Conserve, enhance, promote and celebrate our heritage
- Promote and protect the environment by minimising pollution and waste

#### Vibrant Economy

- Provide more homes

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

- Ensure a robust strategic development framework is in place
- Safeguard and create job opportunities
- Create thriving and vibrant town and local centres
- Drive business growth workforce development and job opportunities

### **High Performing Council**

- Improve the customer experience of engaging with the Council.
- Provide efficient and effective services
- Maintain a positive and productive working environment and strong staff morale.
- Improve use of digital technologies

## **4. FINANCIAL CONTEXT**

### **Spending Review**

The Comprehensive Spending Review Period 2016/17 to 2019/20 resulted in a multi-year local government finance settlement which included the removal of Revenue Support Grant with the intention that there would be a move to 100% funding by business rates income i.e. a system of Local Government funded by local taxation. A new multi-year settlement was expected for April 2021 alongside the implementation of the Fair Funding Review and 75% Business Rates Retention but due to Brexit and the Covid-19 Pandemic this has been delayed and is now expected to be implemented in April 2022.

In December 2020 the Chancellor announced a one year only local government finance settlement for 2021/22 which rolled forward the core components of the previous multi-year settlement meaning there is still no clarity of funding levels after March 2022 which hampers effective medium term financial planning. Total Settlement reductions now equate to 37.7% or £1.86m in cash terms over the spending review periods 2016/17 to 2021/22. Further changes to the New Homes Bonus (NHB) were also announced by Government in the local government finance Settlement 2021/22, providing a one year only award (instead of four years of award) which reduces Gedling's NHB to significantly lower levels.

What this means in practice is that local authorities will find it much harder to fund capital expenditure, resulting from less government funding, and reduced capital receipts in the current economic climate.

In response to these significant pressures, local authorities must now explore alternative sources of funding capital expenditure. These various options can be summarised as follows:

- External partners – Traditionally Section 106 monies have been levied on private contractors where funds have been required to deliver (amongst other things) capital projects necessary to make a planning application

## CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

acceptable e.g. to upgrade highways infrastructure, within the district. These opportunities are now extended to include the Community Infrastructure Levy (CIL), which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed to deliver new development. The infrastructure to be funded by CIL must be clearly set out and can include transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres.

- Grants – Capital grants are made available by the central government and other public sector bodies that could be used to fund capital expenditure. Unfortunately capital grants are now diminishing in number as further cuts are enforced on Local Government. For example, as detailed above, changes to the New Homes Bonus, which is an established non-ringfenced grant is not expected to be a source of capital funding going forward.
- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment.
- Local Asset Backed Vehicles (LABVs) – This is a form of public and private sector partnership that allows public sector bodies to use their assets (usually land and buildings) to attract long term investment from the private sector in order to deliver socio-economic development and regeneration. They are designed to encourage parties to pool resources, such as finance, planning powers, land and expertise, in order to deliver regeneration with an acceptable balance of risk and return for all those involved. They are increasingly being looked at as a potential model to help local authorities meet their regeneration aspirations.
- Tax Increment Financing (TIF) – This is an initiative that allows a local authority to borrow money against the predicted future growth in local business rates income.
- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced re-offending, and CCTV based on reduced anti-social behaviour and crime levels.
- Community Involvement – The Localism Act 2011 introduced the concept of “community asset transfer”, “community right to challenge” and “community right to bid” for services. These changes in legislation have opened up the whole spectrum of opportunities of private sector investment in community-led capital projects, where deemed appropriate.
- Collaborative Working – a move away from the traditional development agreement structure and towards a more collaborative approach, either to

## CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

enhance marketing prospects for a site or to enhance its redevelopment value by addressing planning issues. This type of approach encourages interest from expert developers to promote a site or work together on the planning and infrastructure process, to enhance the attractiveness of the site to end users.

### **Financial Process**

The Council's financial and service planning process ensures decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach.

The funding of capital schemes is via the following hierarchy:

- External grants and contributions;
- Capital receipts from the disposal of fixed assets;
- Borrowing;
- Leasing finance; (where applicable)
- Revenue contributions.

The following paragraphs examine the current and prospective means of financing projects and the range of choices available.

**External Grants and Contributions** - Some capital projects are financed wholly or partly through external grants and contributions that are specific to projects and cannot be used for other purposes.

Grants from external sources are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of capital developments that would otherwise have been unable to progress. Given the scale of the Council's ambitions to improve and add to its asset base much will depend on our ability to secure external funding.

The most significant grants that the Council is now likely to receive are from Section 106 monies and the Community Infrastructure Levies from development sites. Section 106 agreements are contributions from developers tied into new construction projects, such as funding a new play area when building a housing development. These agreements can be complex and difficult to monitor, and the provision of the funding can be contingent upon a certain stage in the development being met. Once contributions have been received, there is usually a time limit within which they must be spent. Where there is a revenue element to provide for ongoing maintenance of facilities, it needs to be correctly reflected in directorate revenue budgets.

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

**Capital Receipts** - The Council also generates its own capital resources through the sale of surplus land and buildings and these resources can be used by the Council to invest in new capital projects. However, the Council is not asset rich and the ability to realise significant capital receipts is becoming limited. Moreover, the current economic climate will restrict the capital value of any sale. Decisions to dispose of assets at less than full value should therefore be tested against the opportunity cost of the capital spending given up as a consequence.

All capital receipts arising from the sale of land and buildings will feed directly into the corporate capital pot for reinvestment. Generally capital receipts will be treated as a corporate resource.

The Council will ring-fence capital receipts to specific schemes where there is a legal requirement to do so i.e. whether it arises from the terms under which the asset was acquired, or from a statutory requirement. Exceptionally the Council may ring-fence receipts where there is a close link between the receipt and reinvestment.

**Borrowing** – Prudential borrowing is where the debt costs have to be funded from the Council's revenue resources. The principle of affordability is therefore a key consideration.

Prudential borrowing will be tightly controlled due to the financial impact it will have on a revenue budget that already operates to very tight margins. The planning assumption for the three-year programme is that the Council may use borrowing for 'long life' assets, or as an alternative for leasing, or for an 'invest to save' scheme. This must, however, be proven to be affordable within the revenue budget through the production of a robust business case.

**Revenue Funding** - The Council can also use revenue resources to fund capital projects, although pressures on the revenue budgets limit the ability to fund schemes from this source.

### **Leasing**

Leasing does not currently play a part in funding the Council's capital expenditure, as vehicles are now purchased rather than leased when they are replaced. This falls outside the prioritisation and scoring mechanism, and checks need to be made to ensure that vehicle replacements form part of a coherent overall strategy that provides value for money.

**Other Sources of Capital Financing** - The Council will continue to explore the potential for developing partnerships and private sector involvement. In all cases the resulting revenue costs of these sources of funding are tested for relative Value for Money alongside debt financing.

The Council recognises that certain services have greater potential for attracting capital finance from external sources. The Council aims to ensure that it maximises the opportunities to attract partnership or third party funding where appropriate and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

# CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

## 5. **CAPITAL BUDGET PREPARATION**

The capital programme is derived from the following:

### **(a) Rolling Programme Items**

- ongoing investment required to ensure continuation of existing service e.g. replacement of vehicles and equipment;
- Asset Management Fund to ensure existing assets are maintained to appropriate standards;
- schemes determined to be an ongoing requirement and funded by grant e.g. Disabled Facilities Grant;

### **(b) Resource Development Bids** - new capital investment proposals to secure the achievement of Council priorities.

### **Capital Investment Prioritisation**

The purpose of the capital budgeting process is to ensure that the money available for capital expenditure is prioritised in the way which best meets the Council's objectives. This must be achieved within the constraints of the capital funding available. Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council and so are prioritised as follows:

### **(a) Rolling Programme Items** are the first call on available resources to ensure that existing approved service levels can continue to be delivered.

The vehicle replacement programme identifies vehicles reaching the end of their useful life for which replacement vehicles need to be purchased. Additional vehicles for new service proposals are subject to the development bidding process.

Asset maintenance of a capital nature e.g. refurbishment of leisure centre changing rooms, are bid for annually by service departments and included in the programme as an Asset Management Fund scheme. Schemes may be prioritised in accordance with the capital scoring methodology (see below) if there are more bids than funds available in the Asset Management allocation. Funding for routine asset repairs and maintenance is not bid for on a yearly basis as the majority of ongoing repairs and maintenance budgets are held as revenue by directorates.

### **(b) Resource Development Bids** present the competing directorate priorities for capital resources which are assessed by a capital scoring methodology (see below) which assigns points to proposed schemes based on their fit with the priorities identified.

# **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

## The Capital Budgeting Process

The capital budgeting process commences in September each year, and is made up of several steps.

- Service Managers identify capital schemes in line with identified corporate and service priorities.
- Resource Development Bids are scored against the capital scoring methodology.
- The ranked scores of schemes are considered in conjunction with the capital funds available, to arrive at a proposed capital programme.
- Council has the final decision on which schemes proceed, informed by the proposed programme.

Service Managers submit proposed capital schemes on development bid proformas. The financial information required includes the initial outlay and ongoing costs of the scheme, as well as any income or savings generated.

The revenue impact of proposed schemes is of particular concern. Schemes that have a high ongoing impact on revenue may fail to proceed, due to the constraints on revenue financing. Conversely, schemes which generate additional revenue income, or contribute to revenue savings will score additional points on the financial element of the methodology. This also applies to schemes which generate external funding or capital receipts.

The bid process also asks Service Managers to identify the non-financial outputs and outcomes which their scheme will provide, and this information is used to score schemes against the criteria in the scoring matrix.

Bids are scored by the Director of Corporate Resources and Section 151 Officer and the Corporate Director of Neighbourhoods.

A good capital bid is likely to be one which:

- makes a significant contribution to one or more corporate priorities;
- has been thoroughly researched, both practically and financially, including consideration of an option appraisal and whole life costing approach for major schemes;
- considers fully the ongoing revenue implications, both costs and incomes;
- pays for itself and generates an income stream i.e. Invest to Save schemes;
- has been developed in conjunction with stakeholders, including Members and any other services or partners affected;
- has identified and secured possible external funding or capital receipts;
- identifies realistic and achievable outcomes and outputs;
- is deliverable within the resources (such as staffing) available within the directorate, or identifies extra resources required.

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

The submission of bids by directorates which demonstrate these qualities is key to ensuring that the Council's priorities are delivered through capital investment.

### **The Capital Scoring Methodology**

The aim of the capital scoring methodology is to ensure that the schemes that best fit the Council's priorities, within the funds available, are taken forward. A copy of the current scoring methodology is attached at Appendix A. Scores are awarded based on:

- the extent to which schemes meet the priorities identified. Weighting may be applied to the scores if Cabinet propose that a particular priority or ward area requires additional investment. No weighting has been applied in the development of the 2021/22 to 2025/26 programme;
- Asset management priorities – this section is used to prioritise Asset Management Fund items if bids to the fund exceed the budget allocation;
- the measure of the financial impact of the scheme, where points are awarded for external funding, income generation, value for money, impact of risk, and generation of capital receipts.

The maximum score possible (excluding Asset Management Fund items) is 80 points. The highest score would only be achievable if the scheme made a high contribution to all of the Council priorities together with a maximum positive financial impact in terms of value for money, funding/income generation and risk. The maximum available score is unlikely to be achieved by any individual scheme so scoring parameters are set, based on the level of contribution to priorities achieved, by which schemes are considered for inclusion in the proposed capital programme.

For the 2021/22 to 2025/26 capital budget, the following score parameters have determined the schemes to be proposed for inclusion in the capital programme based on contribution to priorities:

<b>Score</b>	<b>Capital Programme Inclusion</b>
Greater than 25 points	Automatic Proposal
Between 15 and 25 points	Include with Cabinet Support
Less than 15 points	Automatic Disregard

Scheme are ranked in accordance with the scores secured and those above 15 points considered by Cabinet in light of resources available before making final recommendations to Council of the final programme for approval.

### **Managing the Capital Programme**

A key role in the monitoring of the capital programme is undertaken by the Capital Monitoring Group and the Programme Board, who meet on a bi-monthly basis. The Capital Project Management Group is attended by responsible officers providing a supportive environment in which problem areas are identified



## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

corrective actions agreed and implemented at an early stage to avoid potential deferral of schemes, and will deal with the entire Capital programme.

The Programme Board is dedicated to the highest priority projects (Tier 1 or Tier 2) and is made up of members of the Senior Leadership Team.

Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

The Council maintains comprehensive and robust procedures for managing and monitoring its Capital Programme. The ongoing monitoring arrangement for the delivery of the approved programme is a reciprocal process between service directorates and Financial Services consisting of:

- Project Managers identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- Project Managers feed information on scheme progress to the Finance Business Partner to produce the monthly budget monitoring statement;
- Bi-monthly capital monitoring meetings consider each Project Manager's report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken;
- Heads of Service are responsible for ensuring that Project Manager monitoring reports and Programme Board highlight reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet;
- Capital budget monitoring is reported to Cabinet on a quarterly basis, for consideration of deferrals and budget amendments;
- At year end, Financial Services collate the outturn position for capital schemes, and report under and overspends and propose budget carry forwards. The Asset Register and Statement of Accounts are updated with new assets acquired within the year;
- A post-implementation review of capital projects after completion is important to assess to what extent the financial and non-financial aims of the project were met. Where they were not, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.
- Projects in Tier 1 & 2 will also be subject to the Councils Project Management Process.

## **CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26**

### **6. CONCLUSION**

The Capital Investment Strategy is a 'live' document which enables the Council to make rational capital investment decisions in order to achieve its corporate priorities and objectives. As a consequence, it provides a framework for determining the relative importance of individual capital projects.

If the Council is to achieve its ambitions, it is recognised that a commitment to partnership working with both the private sector and other public sector bodies will play a significant part of the Council's overall approach.

The adoption of a three-year capital planning framework and indicative 5 year programme is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

The Council aims to ensure that it will maximise the opportunities to attract partnership or third party funding, and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

New and innovative ways of generating increased capital finance will continue to be explored, as well as adopting a rigorous approach to the identification and disposal of surplus assets.

The Council will maintain comprehensive and robust procedures for managing and monitoring its Capital Programme.

Any policy or strategy proposed to Council that requires capital investment must be consistent with the Capital Investment Strategy. The Strategy is to be revisited annually, to ensure that it is kept up-to-date and is relevant and effective.

## Capital Resource Development Bid – Scoring Methodology

	Scoring system	Bid Name	Bid Name
<b>1. Priorities</b>			
<b>a. Cohesive, Diverse and Safe Communities</b>			
i Promote and encourage pride, good citizenship and participation	0 – 3		
ii Reduce poverty and inequality and provide support to the most vulnerable	0 – 3		
iii Improve social mobility and life chances	0 – 3		
iv Reduce anti-social behaviour, crime and fear of crime	0 – 3		
<b>Total for 1a: Maximum points =</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>Weighting due to performance indicator:</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>b. Healthy Lifestyles</b>			
i Improve health and wellbeing and reduce health inequalities	0 – 3		
ii Support physically active lifestyles	0 – 3		
iii Increase recreational activities and users to parks and open spaces	0 – 3		
iv Reduce levels of loneliness and isolation	0 – 3		
<b>Total for 1b: Maximum points =</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>Weighting due to performance indicator:</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>c. Sustainable Environment</b>			
i Provide an attractive and sustainable local environment that people can enjoy	0 – 3		
ii Improve transport infrastructure and connectivity	0 – 3		
iii Conserve, enhance, promote and celebrate our heritage	0 – 3		
iv Promote and protect the environment by minimising pollution and waste	0 – 3		
<b>Total for 1c: Maximum points =</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>Weighting due to performance indicator:</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>d. Vibrant Economy</b>			
i Provide more homes	0 – 3		
ii Ensure a robust strategic development framework is in place	0 – 3		
iii Safeguard and create job opportunities	0 – 3		
iv Create thriving and vibrant town and local centres	0 – 3		
v Drive business growth and job creation through local and inward investment	0 – 3		
<b>Total for 1d: Maximum points =</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>Weighting due to performance indicator:</b>	<b>1</b>	<b>1</b>	<b>1</b>

## CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

<b>e High Performing Council</b>				
<b>i</b>	Improve the customer experience of engaging with the Council	<b>0 - 3</b>		
<b>ii</b>	Provide efficient and effective services	<b>0 - 3</b>		
<b>iii</b>	Maintain a positive working environment and strong employee morale	<b>0 - 3</b>		
<b>iv</b>	Make best use of digital technologies	<b>0 - 3</b>		
<b>Total for 1e:</b>		<b>Maximum points = 12</b>	<b>0</b>	<b>0</b>
<b>Weighting due to performance indicator:</b>		<b>1</b>	<b>1</b>	<b>1</b>
<b>Total Priorities</b>			<b>0</b>	<b>0</b>

  

<b>2. Asset Management Plan Priority</b>				
<b>a.</b>	AMP 1 (urgent Health & Safety)	<b>25 pts</b>		
<b>b.</b>	AMP 2 (desirable Health & Safety)	<b>5 pts</b>		
<b>c.</b>	AMP 3 or 4	<b>0 pts</b>		
<b>Total for 2:</b>		<b>Maximum Points = 25</b>	<b>0</b>	<b>0</b>

  

<b>3. Measure of Finance Impact</b>				
<b>a.</b>	External Funding	<b>0 - 10</b>		
<b>b.</b>	Income Generation	<b>0 - 10</b>		
<b>c.</b>	VFM	<b>0 - 10</b>		
<b>d.</b>	Risk	<b>0 - 10</b>		
<b>e.</b>	Capital Receipt Generation	<b>0 - 10</b>		
<b>Total for 3:</b>		<b>Maximum points = 20</b>	<b>0</b>	<b>0</b>

  

<b>4.</b>	<b>Weighting based on ABI impact</b>			
<b>5.</b>	<b>Total points</b>	<b>Maximum points possible = 105</b>	<b>0</b>	<b>0</b>