

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

10 NOVEMBER 2010

**JOINT REPORT OF HEAD OF FINANCIAL SERVICES AND
ACTING HEAD OF CORPORATE PERFORMANCE**

A.7 CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN 2011/12
(Report prepared by Jim Smetherham)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To approve the initial proposals for a Capital Strategy and Asset Management Plan (CSAMP) for 2011/12 for consideration by the Corporate Management Committee.

EXECUTIVE SUMMARY

The Capital Strategy and Asset Management Plan (CSAMP) (**Appendix A**) sets the framework for capital investment and asset management in line with the Council's priorities as set out in the Community Strategy and Corporate Plan.

In previous years the CSAMP had a medium term focus but was reviewed annually. However due to the significant changes that are expected in Government funding following the comprehensive spending review, the likely changes to the Housing Revenue Account (HRA) subsidy system, and the impact that the approval of, amongst other things, the Regeneration Strategy will have on the Council's priorities it is practical to move to a single year emphasis at the present time. The strategy can be reviewed during the course of the year if necessary, and will in any case be subject to annual review next year when looking forward to 2012/13 and beyond.

The CSAMP attached as **Appendix A** is an update of the current approved CSAMP and acknowledges that the Government spending review and changes to the HRA subsidy system may require that there be a shift or change in emphasis. The capital strategy also shows the Council's new priorities as set out in the Corporate Plan.

That framework considers the investment needed in existing assets, the need for replacement or additional assets, opportunities to work with partners, assets that are surplus to requirements, how capital investment can be accessed and the opportunities to realise capital receipts.

The strategy is designated in the constitution as a document within the Policy Framework and as such it will be Corporate Management Committee whose comments will be taken into account by Cabinet when recommending the CSAMP to Council for approval.

RECOMMENDATION

That Cabinet approves the initial Capital Strategy and Asset Management Plan

2011/12 for consideration by the Corporate Management Committee.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The CSAMP plays an integral part within the Council's Policy Framework and has a key role in supporting the delivery of the Council's Corporate Priorities. The Capital Strategy and Asset Management Plan aims to set out the arrangements and processes in place and the relationship with the Council's overall Policy Framework.

The CSAMP sets out the structure and high level framework for the management of Council's assets within which other processes will identify the following to ensure that effective services are provided that reflect the Council's key priorities:- the investment needed in existing assets; the need for replacement or additional assets; opportunities to work with partners; and assets that are surplus to requirements and where a capital receipt may be realised.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The CSAMP sets out how the strategy integrates within other resource strategies of the Council including the Workforce Strategy, the Financial Strategy, the Procurement Strategy and the IT Strategy.

Risk

Agreement of the strategy itself has little risk. However, any capital investment must be considered to make sure that it is affordable. The relevant risks must also be considered in the retention, management or sale of assets.

LEGAL

The Local Government Act 2003 sets out the requirements in relation to capital expenditure and financing.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other implications in agreeing the strategy itself. However, all of the above would need to be assessed when considering individual capital projects or the management of individual assets.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Capital Strategy and Asset Management Plan was approved by Council in December 2009, for 2010/11 to 2013/14.

CURRENT POSITION

The CSAMP is a single policy document, which sets out a framework for the consideration of investment and funding of capital projects along with the management of the Council's assets to ensure that the assets are suitable for delivering the Council's strategic objectives in a cost effective manner.

The CSAMP is part of the Budget and Policy Framework. This report submits the initial proposals for the CSAMP for consideration by Cabinet. The CSAMP as agreed by Cabinet will then be submitted to the Corporate Management Committee for comment. The Corporate Management Committee's comments will then be considered by Cabinet when it formulates the final CSAMP for approval by Council.

In previous years the CSAMP had a medium term focus but was reviewed annually. However due to the significant changes that are expected in Government funding following the comprehensive spending review, the likely changes to the Housing Revenue Account (HRA) subsidy system, and the impact that the approval of, amongst other things, the Regeneration Strategy will have on the Council's priorities it is practical to move to a single year emphasis at the present time. The strategy can be reviewed during the course of the year if necessary, and will in any case be subject to annual review next year when looking forward to 2012/13 and beyond..

The CSAMP attached as **Appendix A** is an update of the current approved CSAMP and acknowledges that the Government spending review and changes to the HRA subsidy system may require that there be a shift or change in emphasis. The capital strategy also shows the Council's new priorities as set out in the Corporate Plan.

The CSAMP is a strategic document and as such sets out the principles that will be used to determine and monitor capital investment and manage the Council's assets in such a way as to contribute to the achievement of the Council's priorities. As such it does not contain detailed schedules of potential capital investments or expenditure requirements for asset management; these being dealt with through the Financial Strategy and budget setting process.

The CSAMP has been updated to include the Council's recently agreed corporate plan and the impact of the current economic climate including the Governments proposals for a reduction in Government spending to reduce Public Sector Debt.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

Appendix A– Capital Strategy and Asset Management Plan