

**Capital Planning Update**

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**1.0 EXECUTIVE SUMMARY**

At the Council Meeting in February 2018 the Council approved the Capital Plan until financial year 2019/20 on the basis that as financial settlements will continue to tighten and the allocation of capital resources will come under increased scrutiny the shortened timeframe for the plan would give the Council an opportunity to review the existing approach to Capital Planning and Investment and if appropriate introduce a new process for future years. The Council endorsed the proposed improvements to the Capital Planning process which would enable emerging requirements and risks across the Council's services to be identified and prioritised and instructed officers to bring a report to Council by June 2018 providing an update on these changes.

**Recommendations**

The Council is invited to note the actions being taken to progress improvements to the capital planning process and that on conclusion of this exercise a detailed report recommending revisions to the capital planning and prioritisation process will come before the Council in the Autumn for approval.

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**Capital Planning Update**

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**2.0 INTRODUCTION**

At the Council Meeting in February 2018 the Council approved the Capital Plan until financial year 2019/20 on the basis that as financial settlements will continue to tighten and the allocation of capital resources will come under increased scrutiny the shortened timeframe for the plan would give the Council an opportunity to review the existing approach to Capital Planning and Investment and if appropriate introduce a new process for future years. The Council endorsed the proposed improvements to the Capital Planning process which would enable emerging requirements and risks across the Council's services to be identified and prioritised and instructed officers to bring a report to Council by June 2018 providing an update on these changes.

This report provides a brief overview of the actions being taken to support the programme of review to enable recommendations on a revised capital planning and prioritisation process to come to a future meeting of the Council for approval.

**3.0 RECOMMENDATIONS**

3.1 The Council is invited to note the actions being taken to progress improvements to the capital planning process and that on conclusion of this exercise a detailed report recommending revisions to the capital planning and prioritisation process will come before the Council in the Autumn for approval.

**4.0 DETAIL**

4.1 The Council's current approach to capital investment is contained in the Capital Programme Planning and Management Guide which is periodically updated to reflect best practice, with the overall process being overseen from an operational perspective by the Strategic Asset Management Board (SAMB). The Guide:-

- Sets out the Capital Programme planning and management arrangements;
- Clarifies their links with existing Council processes;
- Defines roles and responsibilities for governance, management and implementation; and
- Provides detail on processes and procedures to be followed in making the arrangements a success.

Currently, Members role in this process is limited to setting the Capital Plan on an annual basis and, thereafter, reviewing progress towards delivery of

projects through scrutiny via the capital monitoring procedures.

- 4.2 The risks associated with depleting capital resources were highlighted during the 2018/19 budget process. In response, Members endorsed proposed improvements to the Capital Planning process, including the adoption of the One Council Property Approach which will enable the emerging requirements and risks across the Council's services to be identified and prioritised for future attention. Linked to this enhanced approach, a review is underway which will recommend a number of changes to the current arrangements to increase Member involvement in the Capital Planning process, and to improve the processes in general.
- 4.3 The programme for review is well underway and has taken into account:
- current arrangements and linkage to best practice
  - proposed processes for capital prioritisation
  - historic and current expenditure on asset sustainability projects
  - elected member involvement

This is a complex and critical area of activity and work is ongoing to enable a final report outlining recommendations on a revised capital planning and prioritisation process to be presented to Council in the Autumn.

## **5.0 CONCLUSION**

- 5.1 Following the Council endorsement in February 2018 of proposed improvements to the Capital Planning process Elected Members are invited to note the update in this regard and that a detailed report recommending revisions to the capital planning and prioritisation process will come before the Council in the Autumn for approval.

## **6.0 IMPLICATIONS**

- 6.1 Policy: The review will impact on the Council approach to financial and capital planning policy.
- 6.2 Financial: The review will impact on the Council's approach to capital investment.
- 6.3 Legal: None
- 6.4 HR: None
- 6.5 Equalities: None
- 6.6 Risk: The review will address the risks associated with depleting capital resources.
- 6.7 Customer Service: None

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**15<sup>th</sup> June 2018**

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