

**Subject:** Capital Strategy

**Status:** For Publication

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**Report to:** Cabinet

**Date:** 18<sup>th</sup> October 2006

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**Report of:** Head of Financial Services

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**Portfolio**

**Holder:** Finance & Risk Management

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**Key Decision:** NO

Forward Plan  General Exception  Special Urgency  "X" In  
*Relevant Box*

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**1. PURPOSE OF REPORT**

1.1 The purpose of the report is to seek Members approval on the draft Capital Strategy.

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report are linked to and support the following corporate priorities:

*Financial Management – embedding financial management throughout the organisation*

**3. RISK ASSESSMENT IMPLICATIONS**

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- The Council and its officers need to progress and embed financial management practices. The adoption of a Capital strategy, being one of a number of key financial documents, aligned to corporate priorities, is evidence that the Council is improving in this area
- Failure to embed financial management throughout the Council will undermine its ability to significantly improve its current CPA score.
- An Equalities Impact Assessment has been completed (Appendix 4 of the strategy) – no adverse impact has been identified.

#### **4. BACKGROUND/REASON FOR REPORT**

- 4.1 Attached is the Council's second Capital strategy. In 2003 the Council's then capital strategy was judged as satisfactory by Government Office North West (GONW). The accompanying 2003 Asset Management Plan (AMP) was rated poor.
- 4.2 The attached Capital Strategy has been resubmitted to GONW, officers have been verbally informed that the revised strategy will warrant a "Good" rating. "Good" is the highest level and builds upon the "satisfactory" rating previously awarded.
- 4.3 The AMP is currently subject to review, pending a data collection exercise, in particular a stock condition survey exercise being undertaken by the Institute of Public Finance (IPF).
- 4.4 The Council's Capital Strategy is a key corporate document which sets out Rossendale's plans for investing in both its own assets and in those of its partners with the aim of delivering high quality, effective services to its residents. The Strategy sets out the boundaries within which the Council will work in terms of resources and strategic priorities and provides a framework which guides decision on capital investment.
- 4.5 The Council's resources for capital investment are limited and the pressure upon them will undoubtedly increase over the medium term. This Strategy is important, as it not only sets out the position the Council is currently in but also assesses what the Council's circumstances might be over the next three years.

#### **5. OPTIONS CONSIDERED**

- 5.1 To maintain the status quo – this would compromise the Council's improvement programme.

#### **6. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 6.1 The report deals with matters of finance and in particular the need to embed financial management throughout the Council

#### **7. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**

- 7.1 The Capital strategy will assist the Council in maintaining those assets within the property portfolio which support corporate priorities and disposal of those assets which do not support corporate priorities (where significant capital receipts can be generated).

#### **8. COMMENTS OF THE HEAD OF HUMAN RESOURCES**

- 8.1 There are no material Human Resource implications

## 9. CONCLUSION

9.1 Members should consider the robustness of the Capital strategy and whether it is fit for purpose in meeting both the needs of the Council and the achievement of its corporate priorities.

## 10. RECOMMENDATION(S)

10.1 That Members consider the Capital strategy and if they consider necessary, make any recommendations for change.

10.2 That the strategy and any amendments be recommend for approval by Full Council.

## 11. CONSULTATION CARRIED OUT

11.1 Executive Director of Resources

11.2 Government Office North West

11.3 Overview & Scrutiny (Policy)

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No background papers