

Item No. 6.2	Classification: Open	Date: 25 March 2015	Meeting Name: Council Assembly
Report title:		Capital Strategy and Capital Programme Refresh for 2014/15-2023/24	
Ward(s) or groups affected:		All	
From:		Cabinet	

RECOMMENDATIONS

That council assembly:

1. Agree the recommendations of the 10 February 2015 cabinet for a refreshed general fund capital programme for the period 2014/15 to 2023/24 of £585.6million, as detailed in the cabinet report attached as Appendix 1.
2. Agree the recommendations of the 10 February 2015 cabinet for the housing investment programme (HIP) for the period 2014/15 to 2021/22 of £1,538.4million as detailed in the cabinet report attached as Appendix 1.
3. Note the attached Southwark Council capital programme 2014/15 to 2023/24 which outlines the key achievements of the capital programme since 2011 and the council's capital investment plans for the next ten years attached as Appendix 2.

BACKGROUND INFORMATION

4. The council established a ten year programme in 2006 for capital investment within the remit of the medium term resource strategy in line with local priorities and the council plan. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.
5. On 6 July 2011, council assembly agreed a refreshed 10 year general fund capital programme 2011-2021 to the value of £351million. At that meeting, council assembly also agreed the housing investment programme 2011-2016 to the value of £451.8million. Since then, cabinet has approved the refresh of the capital programme on a regular basis through quarterly capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.
6. The total capital expenditure incurred since 2011/12 including the current forecast spend for 2014/15 is £488.8million and £434.2million for the general fund and housing investment programme respectively.
7. The council plan confirmed ten Fairer Future promises, a set of key commitments to the residents and businesses of Southwark that outline the things that the council will be working towards as an organisation to create a fairer future for all. The updated promises were approved by cabinet on 2 July 2014.
8. This report highlights the key changes and achievements within the capital programme in meeting the council's 10 Fairer Future promises since the capital programme was

last agreed by council assembly and the council's capital investment plans for the next ten years, attached as Appendix 2.

9. On 10 February 2015, cabinet agreed a report on the council's Capital Programme 2014/15-2023/24 and a copy of the report with details of the capital programme by departments is attached as Appendix 1.
10. The 2014/15-2016/17 medium term resource strategy (MTRS) was approved by cabinet (10 February 2015) and council assembly (25 February 2015) and contains a section on the council's capital strategy against which this capital programme is based.

KEY ISSUES FOR CONSIDERATION

Capital programme – general fund and housing investment programme

11. Full details of the general fund capital programme for the period 2014/15 to 2023/24 and the housing investment programme for the period 2014/15 to 2021/22 are provided on Appendix 1.

Key achievements and capital investment plans

12. The key achievements of the capital programme since 2011 and the council's capital investment plans for the next ten years are provided on Appendix 2.

Capital strategy

13. The proposed capital programme has been based on the updated medium term resources strategy (MTRS) approved by cabinet (10 February 2015) and council assembly (25 February 2015). The MTRS provides a framework of underlying principles by which resources are managed and allocated across the council. Each key resource is managed centrally within the council and has a specific strategy in place. The financial management and control strategy sets out the financial principles of the council and the remit within which it plans its business. The strategy is set in the context of a number of key themes, each structured to support all major policy objectives and priorities as set out in the council plan. The council's capital strategy (capital programming and strategic projects) is included in the financial management and control strategy within the overall MTRS.

Community impact statement

10. The community impact statement is set out in the report at Appendix 1.

Consultation

11. Consultation on the overall programme has not taken place. However, each of the individual projects are subject to such consultation as is required or desirable when drawing up the schemes. Some of these will be more extensive than others, for example projects with an impact on the public realm. Some projects, such as those funded by grant or s106 may require consultation with those providing funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

14. Under the constitution the council assembly must agree the capital strategy and

programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.

15. The capital programme 2014/15 to 2023/24 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
16. Section 106 funding while being a capital receipt can only be used for specific purposes detailed in the legal agreement.
17. By agreeing the recommendations in the report the council assembly will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
See Appendices		

APPENDICES

No.	Title
Appendix 1	Cabinet Report and Appendices (10 February 2015) - Quarter 3 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15-2023/24
Appendix 2	Southwark Council Capital Programme 2014/15 to 2023/24 - To Follow

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services		
Report Author	Jay Nair, Senior Finance Manager, Finance and Corporate Services		
Version	Final		
Dated	12 March 2015		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Director of Legal Services	Yes	Yes	
Strategic Director for Finance and Corporate Services.	N/a	N/a	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		12 March 2015	