

Sefton Metropolitan Borough Council

Capital Strategy 2017-20

February 2017

DRAFT



Contents

1. Introduction
2. Aims of the Capital Strategy
3. Capital Resources
4. The Council's Approach to Capital Investment
5. Governance
6. Performance Monitoring and Evaluation
7. Review
8. Summary

The Appendices

Appendix A Strategic Capital Investment Group Terms of Reference

Appendix B Current Known Strategic Growth Projects

Organisation	Reviewer	Date Reviewed
Sefton Council		
Regeneration and Housing	Phil Cresswell	13 th February 2017
Regulation and Compliance	Jill Coule David McCullough	
Corporate Services /Finance	Stephan Van Arendsen Thomas Walmsley	
Executive Leadership Team	Sarah Kemp	
Version Control		
Version No.	Date of production	Authorised by
V001	February 2017	

DRAFT



1. Introduction

The Capital Strategy underpins the Council's Capital Programme for all built, digital and natural assets and reflects the changing environment the Council is operating in since the introduction of austerity, something that all public sector bodies have been managing since 2010.

The Strategy recognises the need for strong economic growth and performance as the way in which the Council raises and uses local revenue changes, particularly as grants from central Government reduce further in the period up to 2020.

The Strategy encompasses all aspects of capital expenditure including the bidding process for external funding, one off grant etc. including the manner it will look at investment initiatives to:

- Grow
- Thrive, and
- Save

The Capital Programme will be developed alongside the revenue budget each year with approval for that programme at Budget Council prior to publication. Any material changes will be proposed by the Strategic Capital Investment Group (SCIG), in order that it can be published at the start of each subsequent financial year

Council Core Purpose

In November 2016 Council agreed the following as its Core Purpose:

- **Protect the most vulnerable:** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them. For those who are the most vulnerable we will have a helping role to play, we will challenge others to ensure we all protect the most vulnerable and where we need to we will intervene to help improve lives.
- **Facilitate confident and resilient communities:** the council will be less about doing things to and for residents and communities and more about creating the capacity and motivation for people to get involved, do it for themselves and help one another. We will create an environment in which residents are less reliant on public sector support and which have well developed and effective social support.
- **Commission, broker and provide core services:** the council will directly deliver fewer services but will act as a broker and commissioner of services which meet the defined needs of communities, are person-centred and localised where possible. We will deliver services which can't be duplicated elsewhere or where we add value.
- **Place-leadership and influencer:** making sure what we and what others do are in the best interests of Sefton and its residents and has a contributing role to the



2030 vision of the borough. This includes strong leadership and influencing partner organisations to work towards common goals and building pride in the borough.

- **Drivers of change and reform:** the council will play a key role in leading change and reform to improve outcomes for Sefton residents and continuously improve the borough.
- **Facilitate sustainable economic prosperity:** that is, people having the level of money they need to take care of themselves and their family; creating the conditions where relatively low unemployment and high income prevail, leading to high purchasing power; and having enough money to invest in infrastructure.
- **Generate income for social reinvestment:** the council will develop a commercial nature and look to what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose

Strategic Outcomes

The purpose of the strategy is to set out the Council's approach to capital investment, and how its Capital Programme supports the Council's Core Purpose and corporate priorities in fulfilling the aspirations articulated within Vision 2030, i.e. a confident and connected borough which promotes the following strategic outcome priorities:

- Together a stronger community
- A borough for everyone
- A clean, green and beautiful borough
- Open for business
- Ready for the future
- Visit, explore and enjoy
- Living, working and having fun

For more information please see:

<http://intranet.smbc.loc/our-council/imagine-sefton-2030.aspx>

Framework for Change - Economic Growth and Prosperity

One of the fundamental requirements and drivers to refresh this Capital Strategy is the change in the way local government is to be financed in future with a greater emphasis on locally generated income (e.g. Council Tax and Business Rates). The reliance on this income to support the delivery of frontline services, means that it is important that the Council, working with its partners, optimises this opportunity.

As a result, development of economic growth will play an important role in ensuring that financial sustainability of the Council is achieved and the ambitions as set out in Vision 2030 are met. This means the manner in which we manage capital funding will change from the position taken historically and certainly from that taken prior to 2010 (the introduction of financial austerity measures).



The Strategy also recognises that regeneration is a priority and that where it is appropriate to do so the Council can acquire strategic property for regeneration purposes where business cases provide a satisfactory payback period/profile.

The Strategy is brought forward in the recognition that Cabinet has approved and published a number of Town Centre Investment Frameworks and that should the opportunity present itself the Council might be the investor on occasion, subject to consideration of a robust business case by Cabinet.

The fundamental case for change to deliver Economic Prosperity for Sefton is predicated on the need to:

- Re-balance the economy towards high growth, high wage, high productivity employment
- Improve the life opportunities of the residents of Sefton; and
- Create and grow new sustainable revenue streams for the Council

In this context economic growth is defined as inclusive of the economic development themes of:

- Business Support
- Employment
- Employment sites
- Housing
- Industry Clusters
- Masterplan for Sefton
- Physical Regeneration
- Skills
- Transport
- Marketing

The essence of the strategic Economic Growth Programme (pillar #1 of the Framework for Change) is to lay the foundations for long-term self-sustaining economic prosperity.

The strategic case for change (which sits at the heart of pillar #1 Economic Growth) sets out the current context within which, the overall Strategy for Economic Prosperity will be delivered, namely:

- A new economic geography and Sefton's economic performance; delivering better jobs and higher productivity and employment.
- National austerity measures and Sefton Council's financial stability; delivering sustainable income streams.
- The EU Referendum Implications; making a statement of confidence about the borough.
- Sefton's vision for 2030; combining directly to primary outcomes
 - place -leadership and influencer
 - facilitate sustainable economic prosperity
 - generate income for social reinvestment.



- The Investment Programme; invest to grow, thrive and save.

The need to improve Sefton's economic performance from **second worst** in North-West Region to one that re-balances the economy towards high growth, high wage, high productivity employment is evident.

Whilst being vitally important to delivering the Council's 2030 Vision and longer term financial sustainability, a capital investment programme will not deliver direct significant financial benefits for the Council over the next 3 years (2017/18-2019/20). However, the foundations being laid are likely to lead to significant additional jobs, economic benefit and longer term income streams for the Council.

The current known strategic Growth Projects for 2017/2020 were considered by Cabinet on 12 January 2017; please see Annex B.

Capital Expenditure

Capital expenditure within Local authorities is funded in a variety of ways.

This includes:

- the provision of central government grants;
- the use of capital receipts;
- External Funding/grant allocations; and
- Where appropriate external borrowing

The funding of capital expenditure will reflect the financing strategy of the Council and will aim to make the best use of the resources available. As such funding decisions will be made in line with the council's Medium Term Financial Plan and Treasury Management strategy.

Sefton 2030 Vision and Medium Term Financial Plan

This Capital Strategy is intrinsically linked with the Council's Medium Term Financial Plan (MTFP) and is concerned with all aspects of the Council's capital expenditure – its planning, prioritisation, management and funding – to support the maintenance of the current asset base, its transformation and borough wide growth aspirations.

The Council will take a strategic view in relation to capital investment ensuring a positive demonstrable impact on the community and economy of the borough. Decisions will take into account the relevant Council strategies, policies, frameworks and plans and the views of partners and stakeholders with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget.

All capital investment decisions will be made with reference to these corporate objectives and the 2030 Vision, except demonstrable cases of "basic need," and in other



extraordinary circumstances, capital investment decisions should by their nature form part of the delivery means for the Council's strategic framework.

This means all proposals will be assessed against the Council's service transformation or economic growth goals as set out in the Framework for Change.

In addition, the demands for Capital are many, and often in excess of the financial or human resources available. This scarcity of Capital resource (since the start of financial austerity measures being introduced) is likely to continue and it is therefore essential that there is a clear mechanism for the generation, evaluation and selection of capital schemes.

DRAFT

2. Aims of the Capital Strategy

The key aims of the Capital Strategy are to:

- Provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the Council's Strategic Priorities and/or legislative requirements;
- Ensure basic need requirements are met, an example being an urgent health and safety issue, or priority, suitability or sufficiency requirement of an asset management plan;
- Establish a fair and objective approach to capital prioritisation;
- Maximise the use of our assets and all resources by establishing effective arrangements for the management of capital expenditure. This includes the assessment of project outcomes, budget profiling, deliverability, state aid compliance and the achievement of Value for Money (FM);
- Establish a corporate approach to generating capital resources, including the release of capital from the Council's existing asset base to purchase, re-purpose and dispose of buildings, assets and property where there is a sound commercial and financial reason to do so;
- Enable physical regeneration aligned to the Council's town centre regeneration and other built-environment priorities, set out in complementary published frameworks and associated delivery plans;
- Where the Council acts as an investor, meet the needs of the Sefton Local Plan, associated supplementary planning documents and or Sefton priorities through investment decision making jointly sponsored with the Liverpool City Region Combined Authority (LCR CA).

Liverpool City Region Context

The Devolution arrangements propose the devolution of resources from central Government to the Liverpool City Region Combined Authority, along with certain powers and responsibilities.

All additional and directly devolved funding streams will be managed by the Combined Authority and the newly elected Mayor for the City Region. This will influence how and where much of the Capital Programme is spent going forward. The Council may consider directly or indirectly contributing towards priority projects managed by the Combined Authority where there is sound commercial and financial justification/reason to do so.



LCR CA Resources available include:

- **Investment and Regeneration**

- an additional £30m of investment each year for economic growth for 30 years (subject to gateway assessments every five years);
- a single pot of government funding to invest in economic growth;
- the advent of the City Region single investment fund;

- **Transport**

- A devolved and consolidated transport budget (subject to the Government's Spending Review).

This approach will ensure that the Council takes full advantage of the funding opportunities needed to ensure that there is alignment between Sefton Council's and the Liverpool City Region's Growth policies and to ensure a strong 'strategic fit' with the investment-making mechanisms e.g. Liverpool City Region Single Investment Fund (or SIF) as one example.

The City Region will be a major source of capital finance for the Authority going forward therefore it is essential that the Council presents the strongest proposals in what is likely to be a very competitive environment. This will require a managed project pipeline approach to development and the 'front loading' of investment for pre-development activities such as site surveys, design, valuations, market assessments and professional fees etc.

This revised Strategy enables the Council to consider, on a case by case basis, how and where to invest its resources in order to achieve the economic growth potential set out within Vision 2030 and also pillar#1 of the Framework for Change.



3. Capital Resources

Capital resources for the purposes of this Strategy will be categorised as follows:

- Non ring-fenced – resources which can be utilised on any project;
- Ring-fenced Non Specific – resources which are ring-fenced to particular areas but not to particular projects;
- Ring-fenced Specific – resources which are ring-fenced to specific projects.
- Investment and Development – resources which are ring-fenced for strategic investment but not to particular projects and supports the Council's role as an enabler, facilitator or investor in strategic physical regeneration and investment projects directly contributing to strategic outcomes.

The Council's strategy for deploying resources therefore is to ensure that all resources are being utilised to achieve the Council's core purpose and agreed strategic priorities, and inevitably will be formulated and comprise multiple-funding sources (which the Council may be one funder amongst many).

Methods of funding the Capital Programme include:

Government Grants and Non-government Contributions

These include non-ring-fenced, ring-fenced non-specific or ring-fenced specific resources as noted above.

Examples include grants available from central Government Departments including:

- The Department for Education;
- The Department for Communities and Local Government;
- The Homes and Community Agency;
- The Department for Transport;
- Highways England;
- Heritage Lottery Fund.

Whilst grants from such organisations are conditional, the Council does not need to provide security for the grant against its assets. Each application for funding will need to be applied for. Where appropriate Heads of Service in conjunction with Cabinet Members will develop proposals for submission to the Council's Strategic Capital Investment Group (SCIG) and ultimately for democratic approval.

Prudential Borrowing

Local authorities are able to borrow to invest in capital works and assets provided that the cost of that borrowing is affordable/repayable and in line with principles set out in the Chartered Institute of Public Finance and Accountings (CIPFA) Prudential Code Guidelines.

<http://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2011-edition-book>

Each year the Council approves a Treasury Management Strategy and a range of prudential indicators that reflect its compliance with the CIPFA guidance and the approach to capital expenditure and borrowing for the forthcoming year.

As such, projects that are identified under the framework for change and which supports the Council's corporate objectives and deliver an acceptable financial return as set out within robust business cases may utilise prudential borrowing. Within such cases a full financial appraisal will be required to ensure that all revenue implications of the cost of borrowing are taken into account.

Prudential Borrowing will also be considered to cover the cost of projects such as regeneration and investment, service transformation and where appropriate redundancy capitalisations, on a business case by business case basis.

Capital Receipts

Capital Receipts arise from the sale of the council's assets. The income received can be used to:

- Finance new capital investment e.g. Regeneration and commercial acquisitions (i.e. buying property for re-purposing where there is a sound business case to do so)
- Reduce borrowing, notably under the Prudential Borrowing Framework;
- Meet the needs of disposal costs, i.e. ear marking receipts in the short term to be repaid once the receipt has been realised;
- Finance and meet the cost of equipment costs, e.g. ICT end user equipment or infrastructure;
- Finance and meet the cost of asset replacement whether founded in condition, suitability, sufficiency AMP definitions or whole-sale replacement of life-expired equipment;
- Replacement of plant or vehicles;
- One off funding for transformation and change management projects, i.e. financing the cost of change.



Where the sale of an asset results in the requirement to repay grant, or the loss of a significant revenue stream, the receipt will be utilised for this purpose; once these liabilities have been provided for any remaining funds will be available for re-allocation.

Revenue Contributions

Occasionally the service putting a capital project forward wishes to utilise its revenue budget to support the capital project, this will be considered on a case by case basis.

Other Capital Funding

This includes EU Funding (whilst the UK remains within the EU), such as European Regional Development Funding, Structural Investment Funding and Big Lottery funding.

Section 106

This includes capital finance contributions collected through Section 106 Town and Country Planning Act 1990 and section 278 Highways Act 1980.

This type of Capital funding and investment scheme and criteria is specific and determined by the Council's Planning Committee, and can only be used in accordance with the Planning consent.

As Sefton's Local Plan is adopted and published other funding such Community Infrastructure Levy CIL will be considered, although there are specific guidelines and Treasury Management principles that need to be followed for CIL.

S106 funding will be considered for inclusion to support capital projects where it is secure and the scope is sufficient for the funding available.

Other Funding Sources

The Council will investigate on a case by case basis other funding sources available, for example where it is prudent to do so.



4. The Council's approach to Capital Investment

The overall level and direction of the Council's capital investment proposals embodied in its capital programme, is informed by the Council's Corporate Priorities and therefore its stakeholders, particularly the Borough's residents.

The Council's approach to capital investment is influenced by a number of external parties and factors: central government and its agencies, legislation requiring capital works, partner organisations, businesses, developers and by its stakeholders' needs and views

The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. Wherever possible the Council will seek to work in partnership with others, to deliver its capital investment programme in order to provide facilities that meet the needs of the Borough. This approach not only maximises the opportunities we have, but also enables risks and opportunities to be jointly appraised.

Where it may be required by legislation to carry out works of a capital nature the Council will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital Programme, once it has determined that it shall carry out the necessary work and that this should be capitalised.

Wherever Government grants are available to meet all or part of the cost of capital projects the Council will ensure that these are applied for and used to maximise the amount of investment which can be made and the benefit which will result from that investment.

Wherever possible appropriate funding will be sought from external parties towards the cost of capital projects; these will include developers, government agencies, funding from the European Union, funding bodies such as the National Lottery, and partner organisations that may join with the Council to bring forward particular projects of mutual benefit.

The Council will also endeavour, through its capital programme, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery. In particular, it will carry out regular surveys of its stock of buildings and structures to ascertain their state of repair and any remedial works which may be necessary. Repair or improvement works arising from such surveys will be carried out subject to the availability of resources and consideration of the role the building plays in service delivery and the need to continue the relevant service in order to contribute to meeting corporate priorities.

In addition, the Capital Strategy will be influenced by the results of any service reviews which have been carried out by the Council, either as part of the budget preparation process or as one-off exercises. Where these reviews identify areas of service which are to be restructured or discontinued, this may give rise to surplus assets which will be available for disposal and possibly generate a capital receipt which will be available for



funding further capital investment. Alternatively, reviews may identify areas for investment, some of which may be capital investment.

Where suitable “**Invest to Save**” projects can be identified the Council will actively pursue such projects as it recognises the benefits, in the form of reduced costs falling on the General Fund Revenue Account, that can result from such investment. Any capital investment which will result in a revenue cost saving or efficiency will be considered.

The Council’s approach to the use of capital expenditure and resources is broadly as follows:

1. To maintain the allocation of grant funding in line with ring-fenced government allocations and criteria;
2. To progress projects which are fully funded and which therefore will have no effect on the Council’s overall capital financing position. In relation to such projects it remains vital that they undergo the rigorous options and financial appraisal process and support the Council’s strategic properties and objectives;
3. In relation to non-specific ring fenced resources, to prioritise schemes within the overall level of capital receipts available to the Council (the single capital pot) over the planned period;
4. To enable wider physical regeneration, as set out previously, inclusive of strategic acquisitions and/or developments for re-purposing or to meet with town centre priorities, where specific interventions are required and where there is a sound commercial and financial justification/reason to do so (this means buying property for regeneration purposes where there is a sound and robust business case in support);
5. To enable Adult Social Care Market Development, inclusive of strategic acquisitions and or re-purposing, where specific interventions are required and where there is a sound commercial and financial justification/reason to do so;
6. To enable the authority to meet with the Borough wide Housing requirements as set-out within the Sefton Local Plan and other supporting National, Regional and Council Strategies.
7. Due to the changes in the way local government is to be financed in future with the greater reliance on locally generated income (e.g. Council Tax and Business Rates) being available to support the delivery of frontline services, it is important that the Council, working with its partners, optimises the opportunity to leverage capital expenditure to secure the economic growth potential. As a result, development of economic growth will play an important role in ensuring that financial sustainability of the Council is achieved and the ambitions as set out in Vision 2030 are met.

5. Governance

The Council sponsors and delivers all projects within its **Framework for Change** Programme. The Programme has four main pillars or programme strands which are:

- Economic Growth;
- Public Sector Reform;
- Service Options; and
- Strategic Investment

In more detail:

- **Economic Growth** – physical regeneration and enabling infrastructure for our economic growth priorities;
- **Public Sector Reform** – Service Transformation Projects;
- **Service Options** for the Council's MTFP – making efficiencies and savings to ensure a financially sustainable Council in a time of continued financial austerity;
- **Strategic Investment** – Supporting investment opportunities the Council may wish to directly sponsor or support in an enabling or commissioning role where there is a sound commercial and financial justification/reason to do so.

Each programme pillar has an executive sponsor/director and clear terms of reference and may require some capital investment in order to meet their agreed objectives.

The Strategic Capital Investment Group (SCIG) will oversee the delivery of the Capital Programme, and assess, determine and performance manage all capital projects within the Programme. SCIG will also provide reference for any adjacent operational groups or project teams assisting delivering the capital programme, asset management and investment priorities.

SCIG consists of a minimum of 3 (three) Cabinet Members supported by the Chief Executive. Terms of Reference for SCIG are contained under Appendix A.

SCIG will meet regularly to ensure there is a consistent managed approach to:

- Implementing the agreed Capital Strategy
- Managing and maintaining the health of the Capital Programme
- Developing the forward capital programme
- Candidate Projects and pre-feasibility studies in all investment areas
- Appraising Feasibility Studies and agreement to limited capital funding for design development
- Appraising business cases for commit to invest
- Monitoring performance of capital projects within the Programme

The Group oversees capital projects from inception to completion to ensure they are delivered efficiently and effectively and in line with the Council's corporate objectives.



The Council will approve this strategy / policy framework and in accordance with the Council's constitution and legislation Cabinet will make decisions to implement the strategy.

Financial management and performance of the Council's approved and published Capital Programme is reported to Cabinet, Overview and Scrutiny Committee with an Annual Report being produced at the end of each financial year.

DRAFT

6. Performance Monitoring and Evaluation

The overall performance of the Capital Programme (both expenditure and funding), including post evaluation of projects, will be monitored regularly by Cabinet alongside the revenue budget via the Strategic Capital Investment Group (SCIG) with an annual report also being produced at year end.

The Strategic Capital Investment Group (SCIG)

The Capital Strategy envisages a commissioning approach to the delivery of the Capital Programme, and through SCIG this will be supported by strong programme management processes and the requirements of Framework for Change.

The Group's role is to assist the Council in providing a managed approach to the Capital Programme and to provide a coordinated corporate approach to the strategic alignment of investments which ensures that investments are planned, managed and delivered prudently.

SCIG will act as a reference group and will review project progress and receive exception reports indicating the corrective action to be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. All capital investment proposals and project progress and management are subject to the Council's Overview and Scrutiny arrangements.

From time to time where project performance is of concern the Head of Service responsible for overseeing capital investment within the/their investment project will be asked to present an exception report to SCIG including any request for a variation to be considered by the Group and where the Capital Expenditure is either over budget or requires re-profiling. This shall be done in consultation with the project sponsor. Examples of projects that have concern would be where:

- An underspend in year (out-turn lag);
- An overspend in year (out-turn pressure);
- The total anticipated final costs will they exceed budget approved;
- There is a foreseen risk to the Council's reputation, or
- Where it is expected that non-delivery will impact on operational performance

Project Sponsors

The role of project sponsors is described separately from this Capital Strategy; detailed guidance can be provided though the Council's Programme Management Office.

All projects will be assigned a named project sponsor from within the relevant pillar of the Framework for Change. Sponsors will be responsible for overseeing the project, including project initiation, monitoring and control, implementing exception reports and, where appropriate, corrective action if the project deviates from its planned progress or cost.



7. Review

The Capital Strategy will be reviewed periodically, updated and amended given the Council's strategic objectives. It does not/will not need to be overhauled annually if existing documentation remains valid.

The Head of Corporate Resources in conjunction with the Head of Regeneration and Housing will be responsible for any amendments which will be logged within the version control table at the front of this Strategy.

All proposed amendments will initially be presented to SCIG for consideration before being recommended for approval through the proper democratic processes.

In addition SCIG will review the prioritisation processes and where necessary the appraisal documents and process will be amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure.

The Council will review the allocation of its capital resources on an annual basis to ensure that the Capital Programme of investment is in line with actual resource available.

8. Summary

This Capital Strategy provides the policy background to build a long term capital programme to ensure a managed approach to the achievement of the corporate priorities under the Council's Framework for Change.

The Strategy demonstrates and sets the strategic approach for how the approved and published Capital Programme supports corporate priorities and where all capital projects will be the subject of a rigorous project development process.

These will be proposed under a separate project appraisal process that will be designed beneath this umbrella and overarching strategy.

The Appendices

Appendix A Strategic Capital Investment Group Terms of Reference

Appendix B Current Known Strategic Growth Projects

DRAFT

Appendix A Strategic Capital Investment Group Terms of Reference

1. Introduction

The Strategic Capital Investment Group (“the SCIG”) has been established as a Member Reference Group to support the Cabinet and to provide guidance, direction and leadership for capital investment and expenditure in Sefton. The advisory note set out below outlines the context, governance, and the main areas of focus and responsibilities of the SCIG

2. Terms of Reference

Purpose

- To support and advise Cabinet in relation to Capital Investment within Sefton.
- To oversee the delivery of the Council’s Capital Strategy.
- To guide and influence the development, implementation and monitoring of the Council’s Capital Strategy with no formal decision making powers.

Responsibilities

- To provide a focus and reference in relation to the Council’s current and future capital investment and expenditure activity.
- To set the level of ambition and determine priorities for capital investment activity.
- To ensure all capital investment decisions are made in accordance with the Capital Strategy and with reference to the Council’s corporate objectives and priorities.
- To produce and recommend to Cabinet and Council an annual Capital Investment Plan.
- To receive and evaluate all proposals for programmes and projects relating to capital within the single capital pot before entering into the Council’s normal reporting process.
- To performance manage, by exception, all capital projects within the Capital Investment Plan.
- To help establish a corporate approach to generating capital resources, including the release of capital from the Council’s existing asset base
- It will act as a reference group for the operational groups delivering the capital programme, asset management and investment priorities.

Accountability

This is a non-decision making Member Reference Group reporting to Cabinet. The group will provide a focus and reference structure for issues to be tested prior to formal decision-making through Cabinet and Council.

Effective Use of Resources

To assist the Council to maximise the use of resources by establishing effective arrangements for the management of capital investment and expenditure. To endeavour to assist the Council, through its programme of capital investment, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery.

Performance Management

To recommend and agree clear realistic targets for programme and project management which are based on outcomes and the achievement of the Council's priorities. To ensure that there is clear reporting and performance framework in place to ensure appropriate delivery, monitoring and evaluation of the Capital Programme. Report on the Capital Programme outcomes and targets to Cabinet, reflecting any associated risk and the time needed to take necessary remedial action. To support the regular review of the Council's Capital Strategy and advise on any required update/refresh of the Strategy as required.

Membership

SCIG membership is open to all Cabinet Members together with the Chief Executive, Executive Director and S151 Officer. Cabinet Member – Locality Services will act as Chair. Support will be provided by Heads of Service (or appropriate representative from each service area), and representatives from Finance and ICT where necessary.

Meeting Arrangements

The group shall meet at least bi monthly but may decide to meet more regularly if required. Meeting support, agendas and work planning will be facilitated by the Executive Director (supported by the Head of Regeneration and Housing and Head of Corporate Resources), who will also co-ordinate attendance by other officers or organisations. The style is informal, with a mix of presentations, discussion items, and performance reports. Agendas and any papers will be made available at least 5 days in advance.

ADVISORY NOTE:

Strategic Capital Investment Group - Role and Purpose.

1. The aim of the Strategic Capital Investment Group is to maximise the use of resources by establishing effective arrangements for the management of capital investment and expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of Value for Money.
2. The SCIG's primary purpose is to guide and influence the development, monitoring and implementation of the Council's Capital Strategy and associated Plans specifically the Capital Investment Plan, Strategic Asset Management Plan and Investment priorities. The Capital Strategy is intrinsically linked with the Council's Medium Term Financial Strategy (MTFS), and is concerned with all aspects of the Council's capital expenditure – its planning, prioritisation, management and funding.
3. The SCIG will provide a clear reference structure within which proposals for new capital expenditure are evaluated to ensure a fair and objective approach to capital prioritisation and that all capital investment is targeted at meeting the Council's Priorities and/or legislative requirements. All matters relating to capital within the single capital pot are assessed by SCIG first before entering into the Council's normal reporting process. The SCIG will produce and recommend to Cabinet and Council an annual Capital Investment Plan.
4. The SCIG will facilitate a coordinated and concerted approach to the delivery of the Capital Strategy and associated Plans in order to achieve agreed outcomes.
5. Any recommended commissioning by the SCIG will be responsive to statutory responsibilities, based on evidence and analysis, the findings of performance monitoring, identified gaps and shortfalls in provision that are having an adverse impact on achieving the agreed outcomes and Council priorities.
6. The SCIG will act as a reference group and will review project progress and receive exception reports indicating the corrective action to be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. It will performance manage the delivery of the Capital Investment Plan and projects therein through the Capital Programme Management Group. All capital investment proposals and project progress and management are subject to the Council's scrutiny arrangements.
7. The SCIG will review performance in a culture of open debate and constructive challenge.

8. The SCIG will help establish a corporate approach to generating capital resources, including the release of capital from the Council's existing asset base.
9. The SCIG will be advised and informed with regard to recommended investment priorities.

DRAFT

Appendix B Current Known Strategic Growth Projects 2017/20

On 12 January 2017 Cabinet received a report on the Budget for 2017/18 and the Medium Term Financial Plan for 2018/19 - 2019/20 which contained details of the projects within the current pipeline of development.

The pipeline contains projects at various stages of development and appraisal.

There are no guarantees that any pipeline project under consideration will subsequently be recommended for approval by the Strategic Capital Investment Group to Cabinet; each will be assessed on its own merits.

DRAFT