

MEETING:	CABINET
DATE:	16 DECEMBER 2010
TITLE OF REPORT:	JOINT CAPITAL AND ASSET MANAGEMENT STRATEGY 2010-2013
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve the Joint Capital and Asset Management Strategy (JCAMS) for 2010-2013.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

It was included in the Forward Plan.

Recommendation

THAT the Joint Capital & Asset Management Strategy be approved.

Key Points Summary

This JCAMS sets out Herefordshire Council and NHS Herefordshire's shared approach to capital investment and disposal over both the short and long term, to deliver core service priorities. The availability of resources to facilitate these priorities is also considered, reconciling the provision of statutory functions, service aspiration and policy context with limited resource availability.

What it intends to do

- Assist in ensuring spending decisions meet key priorities
- Influence and encourage working with partners
- Encourage improvement and innovation
- Ensure revenue consequences and whole life costs are fully considered including return on investment
- Explains the sensitive nature and likely reduction to future capital funding

Further information on the subject of this report is available from
Anne Phillips, Head of Financial Services on 01432 383173

- Confirms surplus assets will be recycled or subject to disposal
- Implementation of three year planning and horizon scanning for longer term priorities.

What it sets out

- Capital priorities and plans
- Links to key strategic documents
- How schemes are identified that meet priorities
- How schemes competing for limited resources are selected
- A summary of the capital programme
- Monitoring processes in place

Alternative Options

- 1 There are no alternative options.

Reasons for Recommendations

- 2 To provide a framework within which decisions regarding use of capital resources and assets will be made.

Introduction and Background

- 3 The JCAMS has been written and updated as information from CSR10 has evolved, but purposely excludes the level of detail re future funding streams which will evolve over the coming weeks. Further detailed information will flow from both the local government settlement funding notification and the asset guidance relating to Transforming Community Services (impacting primarily on NESH assets); these details will inform individual decisions made within the framework provided by the JCAMS.
- 4 The attached JCAMS is vital to ensure that capital and associated revenue expenditure on the asset portfolio is directed effectively and efficiently to support service delivery in line with Herefordshire Public services (HPS) priorities.
- 5 In the current financial climate, it is likely that little capital funding will be available. Therefore all resources available must be directed to deliver HPS priorities and where possible demonstrate future revenue savings.

Key Considerations

- 6 Capital funding must be targeted to ensure it is used to deliver HPS priorities, linking the Joint Corporate Plan (JCP) vision and other key strategies as part of the decision making process. The underlying assumption is that the council's future capital programme will need to be funded by asset disposal proceeds.
- 7 Assets will only be retained if they deliver and continue to deliver HPS's strategic priorities in a cost effective way. Asset disposal proceeds can then be reinvested into future capital projects.

Community Impact

- 8 The impact of capital schemes potentially affects all areas of Herefordshire and its communities, but will focus on those that deliver to the HPS JCP vision.
- 9 The localities agenda is steering authorities to share buildings, resources and jointly plan strategic capital programmes with communities, the voluntary sector and other agencies. This work is already underway in Herefordshire, and will facilitate the creative use of our asset base and support improvements to community services.

Financial Implications

- 10 This strategy will inform future decision-making and does not, of itself, have direct financial implications.

Legal Implications

- 11 None.

Risk Management

- 12 Ensuring capital schemes remaining within budget and completed within the timescales and specification are the major risks. The mitigation of these lie with the regular monitoring by directorates who use risk registers to highlight key areas of concern. In addition the Capital Strategy Working Group provides oversight and challenge of the schemes again using the RAG approach.

Consultees

- 13 Officers from both NHHSH and the Council were involved in producing the document.

Appendices

- 14 Appendix A - JCAMS

Background Papers

- 15 None.