



**Meeting: Council**

**Date: 7 April 2016**

**Wards Affected: All**

**Report Title: Capital Plan 2016/17 – 2019/20 Prioritisation Matrix**

**Is the decision a key decision? Yes**

**When does the decision need to be implemented?**

**Executive Lead Contact Details:** Gordon Oliver, Mayor, [mayor@torbay.gov.uk](mailto:mayor@torbay.gov.uk)

**Supporting Officer Contact Details:** Martin Phillips, Chief Accountant, 01803 207285, [martin.phillips@torbay.gov.uk](mailto:martin.phillips@torbay.gov.uk)

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## **1. Proposal and Introduction**

1. The currently approved Capital Plan budget totals £71 million for the 4 year programme 2016/17 to 2019/20. The latest Capital Plan update (Qtr 3 2015/16) was presented to Council on 25 February 2016 and at that meeting the Council approved the preparation and presentation of a scoring matrix to assist the prioritisation of capital schemes.
2. A proposed scoring matrix has now been prepared and members are requested to consider the matrix and approve its use to score schemes.

## **2. Reason for Proposal**

- 2.1 To comply with the decision of the Council on 25 February 2015 a proposed capital scheme scoring matrix has been prepared for consideration and approval by Council.
- 2.2 When approved the matrix will be used to score capital projects within the current approved Capital Plan (where schemes have not yet commenced) and the Capital Reserve List to assist in the prioritisation of projects and the results used to revise the Council's Capital Plan as appropriate.

## **3. Recommendation(s) / Proposed Decision**

- 3.1 That the Capital Projects scoring matrix as set out at Appendix 1, be approved;
- 3.2 That the matrix be applied by the Chief Finance Officer, in consultation with the Executive Director and Senior Leadership Team, to score and prioritise capital projects within the current approved Capital Plan (where schemes have not yet commenced), the Capital Reserve List and any new Capital schemes, any resulting revisions to the Council's Capital Plan will be presented to the Council for approval.

#### 4. Supporting Information and Impact Assessment

- 4.1 The Council meeting on 25 February 2016 considered the latest (Quarter 3 2015/16) Capital Plan monitoring update report which also set out the Mayor's proposals for revisions to the Capital Plan and the Capital Strategy as part of the 2016/17 budget setting process.
- 4.2 At the meeting Council approved an amendment to request the preparation of a scoring matrix to set prioritisation scores for capital schemes.
- 4.3 A proposed matrix has been prepared and is attached at Appendix 1 to this report.
- 4.4 The matrix comprises of a number of questions to assist in determining the prioritisation of capital projects against a number of criteria which measure the importance of the schemes within the framework of Council priorities, statutory importance and scheme benefits.
- 4.5 The matrix criteria assess each project's capacity to deliver benefits with regard to potential future income generation, service aspirations, target groups and requires that potential schemes are supported by a sound business case and options appraisal.
- 4.6 The brief summary of the considerations for the proposed scoring criteria is as follows:

Assessment Criteria	Explanation and Considerations
Statutory Status	Does the project contribute to fulfilling a genuine statutory function? Is there a legislative requirement which underlies the project?
Corporate Plan Priorities	How does this project fit within the priorities of the Council as set out in the Corporate Plan and Corporate Delivery Plans?
Mayoral Promises	Has the scheme been identified as a priority in the Mayor's election manifesto?
Equality, Diversity and Deprivation	Whether the delivery of the scheme will assist in addressing equality, diversity and deprivation within Torbay?
Condition	Will the scheme improve and add value to an existing asset? Does the project deal with a Health and Safety issue? Is the asset regarded as strategically important and therefore needs to be improved?
Outcomes and benefits	Are the outcomes of the project likely to benefit more than one service and does the scheme beneficially impact a large number of people or support target groups within the Bay's population?

Risk of not doing	What are the risks to the Council associated with failure to do the scheme? Have these risks been formally identified in the Council's Risk Register? If the scheme is not pursued or is delayed, is there likely to be a failure of a Council service?
Risks of doing (Deliverability)	Consideration of issues and factors which could affect the deliverability of the project in terms of both time and budget. Are there actions in place or available to help mitigate against the perceived risks?
Quality of Business Plan	Is there clear evidence that other options have been considered and is the proposal regarded as the most suitable solution? In this context does the scheme represent best value for money?
Potential investment return	Does the completion of the project provide future income generation for the Council? How significant is the potential income and to what extent does it assist the Council's financial position, in comparison to the investment.
Whole life costs	Need to consider the cost implications of the project on a 'whole life' basis – not just initial cost of construction/works – but also ongoing revenue costs associated with the development. Are the future costs sustainable? Does the scheme produce any long term savings for the Council e.g. reduced repairs and maintenance/energy costs?
External funding	Consideration of the funding resources available to finance the project. Is a substantial proportion of the cost covered by external funding whether Govt. grants or Regional funds, or does the Council need to fund the scheme from its own resources (e.g. borrowing, capital receipts, contributions)?
Deprivation factor	Recent national indices show that Torbay continues to suffer with areas of deprivation and so schemes which address this issue and/or help reverse the trend will attract additional points.

#### 4.7 Capital Scheme Prioritisation Scoring

4.8 When the matrix has been approved by Council it will be used to score the following categories of capital schemes:

- Approved Capital Plan - any schemes which have not yet commenced which are included within the Council's approved Capital Plan. It is not considered appropriate to score projects which have already commenced.
- Capital Reserve List – all schemes on the Capital Reserve List.
- New schemes – schemes which were not previously on the Capital Reserve List.

4.9 Following an initial scoring exercise the results will be reviewed by the Executive Director and Senior Leadership Team (SLT) and any resulting amendments which are considered appropriate will be presented to Council for approval.

4.10 In future, any scheme requiring Council resources will have a full Business Case prepared addressing the criteria in the scoring matrix and the Chief Finance Officer, in consultation with the relevant Director/Assistant Director, will initially score the scheme, for consideration by SLT, and then processed in accordance with procedures set out in the Council's Capital Strategy.

### **Appendices:**

Appendix 1 – Proposed scoring matrix for Capital Projects