



**Cabinet**  
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Item

Public



# Report of the Capital Strategy Task and Finish Group

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<b>Scrutiny Chair:</b>	Councillor Claire Wild
<b>Task and Finish Group Chair:</b>	Councillor Julian Dean

## 1. Synopsis

The report and recommendations of the Transformation and Improvement Overview and Scrutiny Committee Capital Strategy Task and Finish Group. Capital investment through programmes and projects enables improved outcomes, transformation, and revenue benefits.

## 2. Executive Summary

- 2.1. This is the report of the Transformation and Improvement Overview and Scrutiny Committee Capital Strategy Task and Finish Group. It sets out key findings, conclusions, and recommendations of their work. They prioritised their time, exploring how projects for the capital programme are identified, prioritised, and delivered, with a consistent focus on how learning from the delivery of capital projects took place and informed future work.
- 2.2. They carried out their investigation at pace over three sessions, developing 7 recommendation areas. In completing the work, they walked through the current process to identify, prioritise, and deliver capital projects. This was informed

about how the process was implemented by using information and insights from a directorate, as well as examples of local member experiences of capital projects taking place in their electoral division.

### **3. Recommendations**

- 3.1. Cabinet is asked to agree the recommendations set out in section 7 of this report and provide a response and action plan for their delivery to the Transformation and Improvement Overview and Scrutiny Committee. If any recommendations are not accepted the reasons should also be reported to that meeting of the Overview and Scrutiny Committee.

## **Report**

### **4. Financial Implications**

- 4.1. Whilst there are no direct financial implications from this Task and Finish group report, appropriate financial advice would be a consistent and fundamental part of any capital programme project identification, prioritisation and delivery.

### **5. Climate Change Appraisal**

- 5.1. Capital projects can contribute to the realisation of benefits for climate change and the environment. Although this task and finish group investigation has not identified specific examples of such opportunities, it did highlight that the delivery of the capital strategy will deliver financial and non-financial benefits.
- 5.2. Some of these will support delivering demand management which can include investment in electric vehicles and infrastructure, improving physical assets such as buildings, fitting green technology, and piloting innovative approaches, such as pyrolysis.

### **6. Background**

- 6.1. The Transformation and Improvement Overview and Scrutiny Committee identified the Capital Strategy as a work programme topic and commissioned a task and finish group to carry out an investigation.
- 6.2. At their first meeting the task and finish group reviewed their terms of reference and confirmed the focus that they wanted to take in their work. This was to understand the development of the capital programme from the identification and prioritisation of capital projects, through their delivery, to the review and identification of learning, and the related cycle of continuous improvement.

- 6.3. They reviewed the process for identifying, prioritising, and delivering capital projects, walking through the process with officers, asking questions for clarity and identifying strengths and opportunities to make improvements. To further their understanding, they asked questions about how the process was applied in the People Directorate, and also sought more detail on the Highways Capital Programme and Schools Capital Programme because these are within the overarching capital programme, but are managed separately through the relevant service areas.
- 6.4. Their key findings, conclusions and recommendations are set out in their report, attached at appendix 1. The group's conclusions and recommendations include that:
- Engagement of the Local Member as early as possible as capital projects are being identified and developed, could help identify local issues and situations that could cause projects to be delayed or stopped.
  - That the impact of slippage includes revenue costs, and that there is scope to develop measurement and timely reporting to ensure that the impact of slippage is identified, monitored, understood, and managed.
  - That systematic review and learning, and measurement of progress and impact would contribute to identifying opportunities to continuously improve how capital projects are identified, planned, and delivered.
  - The task and finish group members support investing capital funding in projects that deliver improved outcomes for local people and communities, the Shropshire Plan priorities, demand management, and revenue benefits to the council.

## 7.0 Recommendations

The 7 recommendation areas that the Task and Finish have set out in their report are:

Recommendation 1 – Realistic Capital Project Timelines, avoiding slippage and improved reporting of delivery, progress and impact

- That the planned timescales for the delivery of capital projects should be made on robust forecasts to help identify realistic programme and project plan timescales to deliver the Shropshire Plan priorities and the transformation of the council.
- That measures (including KPIs) which evidence capital being used to meet the revenue challenge and demonstrate the impact of slippage of capital projects and programme on the council's budget and future service delivery, should be developed and reported as part of the quarterly financial reporting.
- The importance of accurate planned timescales for capital projects and the avoidance of slippage in their delivery and the realisation of related financial and non-financial benefits should be reinforced.
- That this focus should form part of Getting Leadership Right.

Recommendation 2 – Local member awareness and input.

- Local Members should be notified, at the earliest possible stage, by the relevant senior manager in the operational directorate about emerging proposed capital projects in their area, helping to utilise their knowledge of the communities they represent, and identify issues and delays that could be avoided at the earliest opportunity.
- That the collation and presentation of the Capital Strategy and Programme should include the confirmation that Local Members have been notified about the projects proposed for their Electoral Division or their electoral area, where projects might be in a neighbouring division but potentially impacts on theirs.
- That a mechanism for issues to be raised with the relevant Portfolio Holder should be also put in place, providing a member-to-member route.

Recommendation 3 – Systematic review and learning from capital project delivery.

- That there is a systematic and robust process of review for capital projects to ensure that learning is identified that can be used to inform future projects. This review should be undertaken by Officers directly involved in the capital project, with input from local members and the Cabinet Member, and take place at the appropriate time to ensure that both the process and the realisation of the planned benefits can be taken account of. There needs to be transparency through a more open process which includes this assessment and feedback loop.

Recommendation 4 – Establish an ‘opportunity register’ and central external funding team.

- That the council should establish an opportunity register that sets out a pipeline of projects that enable the delivery of the council’s priorities, including projects identified by communities and partners such as the voluntary, community and social enterprise sector. There should be a corresponding register of known grant funding opportunities that can be used to match with projects.
- That the council should establish a corporately located External Funding Team that looks across all funding opportunities to the council and local stakeholders, with the expertise and capacity to identify the relevant funding opportunities to deliver the projects in the pipeline.

Recommendation 5 – Geographic visualisation of capital projects.

- That, for transparency, the criteria to identify and prioritise capital projects should be set out alongside a geographic presentation of the places where these projects are being delivered. This information and understanding should be used by local members to inform their answers to questions from their communities.

#### Recommendation 6 – Highways Capital Programme

- That there should be an all-Member briefing on how the highways capital programme is managed, covering:
  - identification and prioritisation of projects,
  - local member awareness and engagement, and
  - the delivery of the projects including contract management and how they deliver investment into council assets to save on future costs e.g. of repair and maintenance, as well as social, economic and environmental benefits.

#### Recommendation 7 – Responding to recommendations and delivery actions

- That an action plan setting out all of the accepted recommendations should be presented to the meeting of the Transformation and Improvement Overview and Scrutiny Committee on the 19 February 2024, including an update on any actions already taken.
- That the members of the task and finish group should be used as a reference/testing group to inform the development of actions.
- That the approaches for the delivery of the accepted recommendation should be in place by April 2024 to ensure that the delivery of the capital programme in 2024/25 and the development of subsequent capital strategies and programmes is in line with the recommendations.
- That the delivery of the recommendations should be reviewed and reported annually to the Transformation and Improvement OSC as part of mapping of capital spend including against the Shropshire Plan and the tracking of projects.

#### **List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Council – March 2 2023, Capital Strategy - Appendix 1

**Local Member:** All

#### **Appendices**

Appendix I: Report of the Transformation and Improvement Overview and Scrutiny Committee Capital Strategy Task and Finish Group

