

4 Capital planning checklist

We have produced this checklist as a tool that councils may find helpful to assess their capital planning arrangements and identify any areas for improvement. This is informed by our findings, practice guidance, and our sector knowledge.

Exhibit 11: capital planning self-assessment checklist

Theme	Paragraph reference	Questions to consider	Council self-assessment
Strategic context	58 to 60	<p>Does the capital plan set out the strategic context for capital planning?</p> <p>For example:</p> <ul style="list-style-type: none">known challenges facing the council;gaps in the council's knowledge and the actions needed to close them; andlocal, regional, and national policies that impact on capital plans.	
Aims and Objectives	38 to 45	<p>Does the capital plan cover both the short and longer term?</p> <p>Does the capital plan include clear aims and objectives. For example:</p> <ul style="list-style-type: none">a long-term ambition for the purpose of capital investment in the council area;a set of clear objectives that support the achievement of the council's ambition; anddetails of how it will support the council's wider objectives.	

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Focusing on outcomes	46 to 48	<p>Has the council set out:</p> <ul style="list-style-type: none">what success looks like for the plan overall;what success looks like for individual projects; andhow it will measure and monitor this.	
Knowing the condition of assets	52 to 57	<p>Is the council's capital plan informed by a recent, accurate and comprehensive knowledge of the condition of assets?</p> <p>Does the council's capital plan include a maintenance plan based on realistic costs?</p> <p>Has the council assessed which assets it needs to successfully deliver its well-being objectives, and how much they will cost?</p> <p>Has the council considered a range of options in response to condition surveys – for example co-location or service re-design.</p>	
Working with others	61 to 67, and 76	<p>Has the council worked with partners to:</p> <ul style="list-style-type: none">identify opportunities to jointly plan and deliver capital projects;ensure that capital plans are aligned, including identifying mutual priorities that capital plans can help deliver; andexplore the pooling of knowledge, skills and resources to improve capital planning.	

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Planning for risk and assessing impact	68 to 71	<p>Does the Council:</p> <ul style="list-style-type: none">complete impact assessments for all projects;assess the impact of capital plans overall;identify the intended socio-economic outcomes for residents in capital plans;ensure that capital risks are assessed and recorded; andset out how capital risks will be mitigated in capital plans.	
Understanding resource requirements	42, 54 to 56, 70, and 72 to 76	<p>Does the council:</p> <ul style="list-style-type: none">set out realistic costs for the new assets and maintenance it needs to deliver its objectives;set out the prudent and affordable level of funding available (both internal and external) over the medium term;calculate and communicate a capital funding gap based on identified needs and funding available;set out how the gap will be managed and mitigated against; andinclude consideration of non-financial resources in plans, such as capacity and contractor supply.	

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Monitoring progress and impact	87 to 89	<p>Does the council:</p> <ul style="list-style-type: none">• regularly report publicly on progress in delivering its capital plan;• regularly report on the impacts and outcomes achieved from capital projects; and• include key financial information, such as comparing actual project costs to planned costs.	
Supporting oversight and scrutiny	90 to 92	<p>Does the council ensure that councillors have access to training and development to enable them to:</p> <ul style="list-style-type: none">• take well informed decisions on capital plans and projects; and• effectively scrutinise the progress and VFM of capital plans and projects.	

Source: Audit Wales