

Capital Planning checklist 1/2

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.

Theme	Issue	Question to consider	Self-Assessment
Strategic context	Capital plans do not clearly set out the impacts of national policy and how this has shaped them See report paragraph 58—60	Does the capital plan set out the strategic context for capital planning? For example: • know challenges facing the council • gaps in the council’s knowledge and the actions needed to close them; and • local, regional, and national policies that impact on capital plans.	
Aims and Objectives	Councils’ capital plans focus on ensuring they follow borrowing rules rather than setting a strategic vision for their capital spending Councils do not clearly show how their capital plans support the delivery of their well-being objectives See report paragraph 38—45	Does the capital plan cover both the short and longer term? Does the capital plan include clear aims and objectives. For example: • 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; and • details of how it will support the council’s wider objectives.	
Focusing on outcomes	Councils do not clearly explain their aims for capital planning See report paragraph 46—48	Has the council set out: • what success looks like for the plan overall; • what success looks like for individual projects; and • how it will measure and monitor this.	
Knowing the condition of assets	Councils do not generally have a comprehensive understanding of the condition of all of their assets See report paragraph 52—57	Is the council’s capital plan informed by a recent, accurate and comprehensive knowledge of the condition of assets? Does the council’s capital plan include a maintenance plan based on realistic costs? Has the council assessed which assets it needs to successfully deliver its well-being objectives, and how much they will cost? Has the council considered a range of options in response to condition surveys – for example co-location or service re-design.	

Capital Planning checklist 2/2

Theme	Issue	Question to consider	Self-Assessment
Working with others	There is an opportunity for councils to work more closely with partners to plan their capital spending See report paragraph 61—67, and 76	Has the council worked with partners to: • 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; and • explore the pooling of knowledge, skills and resources to improve capital planning.	
Planning for risk and assessing impact	Capital plans are not clear on how they will help to reduce councils’ capital risks Councils do not clearly assess the equality and socioeconomic impact of their capital plans See report paragraph 68—71	Does the council: • 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; and • set out how capital risks will be mitigated in capital plans.	
Understanding resource requirements	Capital plans are not clear on how they will help to reduce councils’ capital risks Lack of officer capacity is limiting some councils’ ability to develop their capital plans See report paragraph 42, 54—56, 70, and 72—76	Does the council: • 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; and • include consideration of non financial resources in plans, such as capacity and contractor supply.	
Monitoring progress and impact	Most councils regularly report on the progress of capital projects but these reports focus mainly on budget monitoring See report paragraph 87—89	Does the council: • 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	Councillors often do not receive training to help them oversee capital planning See report paragraph 90—92	Does the council ensure that councillors have access to training and development to enable them to: • take well informed decisions on capital plans and projects; and • effectively scrutinise the progress and VFM of capital plans and projects.	