

Cabinet Report

Report of Interim Head of Finance

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Capital strategy 2021/22 to 2030/31

Recommendation

- 1) That Cabinet recommends Council to approve the capital strategy 2021/22 to 2030/31 which is contained in appendix one of the report of the interim head of finance to Cabinet.
- 2) That Cabinet recommends to Council to agree the strategy for flexible use of capital receipts which is contained as appendix 1 of the capital strategy.

Purpose of Report

1. To request cabinet to recommend council to approve the capital strategy for 2021/22 to 2030/31. The capital strategy outlines the council's approach to capital spending, based on the council's corporate strategy, and is linked to the council's corporate objectives, medium term financial strategy, and management of projects and programmes.

Strategic Objectives

2. The capital strategy assists the council in meeting its strategic objectives. It will provide a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. By determining the framework within which decisions on capital expenditure and investment are made the strategy will ensure that such decisions assist the council in meeting its corporate strategic objectives.

Background

3. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take

account of stewardship, value for money, prudence, sustainability and affordability. Under the Code, a capital strategy is required to be agreed ahead of the 2020/21 financial year and will be reviewed on an annual basis.

4. The capital strategy for 2021/22 to 2030/31 is attached as appendix one to this report. The strategy provides the overall policy framework for capital expenditure and investment. It does this by bringing together the requirements of the council's strategic objectives, and the constraints of its medium term financial plan, and within the parameters set by those it determines how capital schemes can be progressed from initial idea through to conclusion.
5. There are number of key "building blocks" that are essential to underpin the strategy that are currently being developed. These include:
 - An asset management strategy and maintenance plan
 - Medium term service planning.
6. The capital strategy will be a key document for the council going forward. It will provide a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It will also provide an overview of how associated risk is managed and the implications for future financial sustainability. It will increase transparency in the planning, approval and monitoring of capital expenditure.
7. This year the strategy includes within it a strategy for the flexible use of capital receipts. This identifies revenue activity which, under guidance issued by the Secretary of State for Communities and Local Government in 2016, is eligible to be funded using capital receipts rather than revenue resources.

Financial Implications

8. There are no direct financial implications arising from implementing the strategy.

Legal Implications

9. None.

Conclusion

10. This report provides details of the proposed capital strategy for 2021/22 to 2030/31 and asks cabinet to recommend the capital strategy to council. These documents provide the parameters within which capital expenditure and investment decisions will be made once the supporting requirements are in place.

Background Papers

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.

Appendices

Appendix one Capital strategy 2021/22 to 2030/31.