

Cabinet Report



Report of Head of Finance

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Wards affected: All

Cabinet member responsible: Councillor Andrew Crawford

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Date: 16 February 2024

Capital strategy 2024/25 to 2033/34

Recommendations

- a) That cabinet recommends to council to approve the capital strategy 2024/25 to 2033/34 which is contained in appendix one of the report of the Head of Finance to Cabinet on 15 February 2024.
- b) That cabinet recommends to council to agree the strategy for flexible use of capital receipts which is contained as annex 1 of the capital strategy.

| Implications (further detail within the report) | Financial | Legal | Climate and Ecological | Equality and diversity |
|---|------------|-------------|---------------------------|---------------------------|
| | Yes | No | Yes | No |
| Signing off officer | Donna Ross | Pat Connell | Kim Hall | Equalities team |

Purpose of report

1. To request cabinet to recommend council to approve the capital strategy for 2024/25 to 2033/34. 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.

Corporate objectives

2. The allocation of financial resources within capital budgets needs to match the objectives agreed by council.

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 each financial year.
4. The capital strategy for 2023/24 to 2032/33 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. Key changes to the strategy are:
 - Amendments to the Investment strategy (Section 5), including removal of the commercial investments category, in line with the latest CIPFA Prudential code and Public Works Loans Board lending requirements.
 - Capital expenditure de minimis level note added to section 4.
6. The capital strategy is a key document for the council. It provides a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It also provides 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.

Financial Implications

7. The capital strategy provides a framework for the management and monitoring of the capital programme. It sets out the council's processes for setting the financial parameters for capital expenditure in the medium term.

Legal implications

8. There are no significant legal implications as a result of the recommendations in this report.

Climate and ecological impact implications

9. There are no direct implications arising from implementing the strategy. As part of the asset management and ongoing review process for the council's property asset portfolio, measures will be introduced to enhance building sustainability, reduce water

consumption and waste and improve energy efficiency in new developments and refurbishment projects in line with the council's adopted Climate Action Plan.

10. Council objectives – section 7 of the report, includes Tackling the Climate Emergency,

Equalities implications

11. There are no equalities implications in this report.

Risks

12. The Capital strategy sets out the council's approach to managing project risks through the Corporate Delivery Framework.

Conclusion

13. This report provides details of the proposed capital strategy for 2024/25 to 2033/34 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.

Background papers

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

Appendices

Appendix one Capital Strategy 2024/25 to 2033/34