

Cabinet Report

Report of Head of Finance

Author: William Jacobs

Telephone: 01235 422480

E-mail: William.jacobs@southandvale.gov.uk

Cabinet member responsible: David Dodds

Tel: 01844 212891

E-mail: David.dodds@southoxon.gov.uk

To: CABINET

Date: 31 January 2019

Capital strategy 2019/20 to 2028/29

Recommendation

That cabinet recommends council to approve the capital strategy 2019/20 to 2028/29 which is contained in appendix one of the report of the head of finance to cabinet on 31 January 2019

Purpose of Report

1. To request cabinet to recommend council to approve the capital strategy for 2019/20 to 2028/29. The capital strategy outlines the councils 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 2019/20 financial year and will be reviewed on an annual basis.

4. The capital strategy for 2019/20 to 2028/29 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
 - Consistent management of projects and programmes
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.

Financial Implications

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

Legal Implications

8. None.

Conclusion

9. This report provides details of the proposed capital strategy for 2019/20 to 2028/29 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 2019/20 to 2028/29