

Cabinet Report



Listening Learning Leading

Report of Head of Finance

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To: CABINET 02 February 2023

To: COUNCIL 16 February 2023

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Capital strategy 2023/24 to 2032/33

Recommendations

- 1) That cabinet recommends council to approve the capital strategy 2023/24 to 2032/33 which is contained in appendix one of the reports of the head of finance to cabinet on 2 February 2023.
- 2) 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.

Purpose of Report

1. To request cabinet to recommend council to approve the capital strategy for 2023/24 to 2032/33. 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 allocation of financial resources within capital budgets needs to match the objectives agreed by the 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 the 2023/24 financial year and will be reviewed on an annual basis.

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. In 2022/23 two key changes were made to the strategy:
 - An increase in the range of areas in which capital investment will be considered to include property investments, loans and renewable energy schemes, and
 - The inclusion of a strategy for the flexible use of capital receipts.

This year no further changes are proposed to the strategy.

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.

Climate and Ecological Impact Implications

7. 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.

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 2023/24 to 2032/33 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 2023/24 to 2033/33.