

Cabinet Report



Listening Learning Leading

Report of Head of Finance

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Wards affected: All

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Capital strategy 2025/26 to 2034/35

Recommendations

- a) That Cabinet recommends to council to approve the capital strategy 2025/26 to 2034/35 which is contained in appendix one of the report of the Head of Finance to Cabinet.
- b) That Cabinet recommends to council to agree the strategy for flexible use of capital receipts which is contained as annex A of the capital strategy.

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes	Yes	Yes	Yes
Signing off officer	Anna Winship	Nick Bennett	Kim Hall	Ruth Lewin-Leigh

Purpose of report

1. To request Cabinet to recommend council to approve the capital strategy for 2025/26 to 2034/35. 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 2025/26 to 2034/35 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:-
 - A change to the accounting treatment of Leasing by the adoption of International Financial Reporting Standard 16.
 - Adjustment to the strategy for the flexible use of capital receipts (Annex A) to remove the need to utilise these as the previously intended use, to cover expenditure, was covered by underspends in 2023/24.
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. As agreed with the climate team, the use of the Climate Impact Assessment Tool is not required for the decision set out in this report. The capital programme supports the actions identified in the emerging Nature and Climate Action Plan.

This investment enables the ongoing decarbonisation of council operations, and is key to achieving the council's net zero target by 2030.

Equalities implications

10. There are no equalities implications in this report.

Risks

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

Conclusion

12. This report provides details of the proposed capital strategy for 2025/26 to 2034/35 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 2025/26 to 2034/35