



Report to: Audit & Governance Committee Meeting 21 February 2024

Director Lead: Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Capital Strategy 2024/25
Purpose of Report	To seek Committee approval to the Capital Strategy 2024/25, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.
Recommendations	<p>That Committee approves each of the following key elements and recommends these to Full Council on 7 March 2024 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:</p> <ul style="list-style-type: none"> • The Capital Strategy 2024/25 Appendix A. • The Capital Prudential Indicators and Limits for 2024/25, contained within Appendix A. • The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council’s policy on MRP. • The Flexible Use of Capital Receipts Strategy, contained with Appendix D.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background

- 1.1 The Capital Strategy outlines the principles and framework that shape the Council’s capital decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council’s priorities and objectives as set out in the Corporate Plan.
- 1.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.
- 1.3 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Capital Prudential Indicators each financial year to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.4 CIPFA Requirements:

- The Prudential Indicators set out the expected capital activities during the financial year (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).
- Delegation by the Council of the role of scrutiny of Capital Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Accounts Committee.

2.0 Summary of Capital Expenditure and Financing

2.1 The table below summaries the total forecasted capital expenditure and financing over the next three years, further breakdown is contained within the Strategy;

	2024/25 budget	2025/26 budget	2026/27 budget
Total Capital Expenditure	51,407	55,246	20,827
Capital Grants	5,316	7,606	1,378
Other Contributions	1,307	346	0
Capital Receipts	1,667	5,439	2,359
Revenue/Major Repairs Reserve	14,475	6,006	6,289
Borrowing	28,642	35,849	10,801
Total Capital Financing	51,407	55,246	20,827

Background Papers and Published Documents

CIPFA Prudential Code Local Government Act 2003

CIPFA Treasury Management Code of Practice