

AUDIT AND ACCOUNTS COMMITTEE

3 FEBRUARY 2021

CAPITAL STRATEGY 2021/22

1.0 Purpose of Report

1.1 To seek Committee approval to the Capital Strategy 2021/22, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

2.0 Background Information

2.1 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.

2.2 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.

2.3 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.

2.4 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.

3.0 Summary of Capital Expenditure and Financing

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

	2021/22 budget	2022/23 budget	2023/24 budget
Total Capital Expenditure	57,129	43,314	12,873
Capital Grants	5,594	7,115	860

Other Contributions	5,396	3,954	0
Capital Receipts	2,389	3,510	661
Revenue/ Major Repairs Reserve	13,485	6,436	4,928
Borrowing	30,265	22,299	6,424
Total Capital Financing	57,129	43,314	12,873

4.0 Proposals

4.1 That the Capital Strategy 2021/22, including the Minimum Revenue Provision (MRP) Policy, as attached at Appendix A to this report is approved.

5.0 Financial Implications (FIN20-21/2431)

5.1 All financial implication are covered within the body this this report and the appendix to this report.

6.0 RECOMMENDATION(S)

That Committee approves each of the following key elements and recommends these to Full Council on 9th March 2021 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- 6.1 The Capital Strategy 2021/22 Appendix A.
- 6.2 The Capital Prudential Indicators and Limits for 2021/22, contained within Appendix A.
- 6.3 The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP.
- 6.4 The Flexible Use of Capital Receipts Strategy, contained with Appendix D.

Reason for Recommendation(s)

Not to approve these policies would contravene the requirements of both legislation and good practice. In addition, the Mazars External Auditors may pass comment in their Report to those charged with governance (ISA260).

Background Papers

CIPFA Prudential Code Local Government Act 2003
CIPFA Treasury Management Code of Practice

For further information please contact Andrew Snape on Ext 5523.

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