

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 16 April 2019

Subject: Information Report - Capital Strategy
2019/20

Responsible Officer: Dawn Calvert - Director of Finance

Exempt: No

Enclosures: Appendix A – Capital Strategy Report
2019/20

Summary

This report sets out and a new requirement, the Capital Strategy 2019/20. This document provides a high level view of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services and how the associated risk is managed.

Recommendation:

The Committee is asked to note the report.

Section 2

Introduction and Background

- 1 Under the Local Government Act 2003 the Council should have regard to the CIPFA Prudential Code. Revised reporting is required for the 2019/20 reporting cycle due to revisions of the Ministry of Communities and Local Government (MHCLG), Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a Capital Strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011.
- 2 The proposed Capital Strategy sets out the Council's principles on how the Capital Programme is put together, how Capital expenditure can be financed and how the Council approaches and manages the risks related to the Capital Programme
3. The capital strategy is being reported separately from the Treasury Management Strategy Statement. (TMSS) This ensures the separation of the core treasury function set under security, liquidity and yield. principles as set out in the TMSS.
- 4 The proposed Capital Strategy is attached at Appendix A. It sets out the Council's principles on how the Capital Programme is put together, how Capital expenditure can be financed and how the Council approaches and manages the risks related to the Capital Programme

Risk management implications

- 5 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its capital financing and treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

Legal Implications

- 6 The purpose of this report is to comply with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and other relevant guidance referred to in the report.

Financial implications

- 7 Financial matters are integral to the report.

Equalities implications / Public sector equality duty

- 8 Officers have considered possible equalities impact and consider that there is no adverse equalities impact as there is no direct impact on individuals

Council priorities

- 9 The Capital Strategy which plays a significant part in supporting the delivery of all the Council's corporate priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert

Director of Finance

Date: 4 April 2019

Section 4 - Contact Details and Background Papers

Contact: Iain Millar (Treasury and Pensions Manager)
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Background Papers: None.