



Finance and Performance Sub-Committee – 11th February 2019

Capital Strategy 2019/20

Purpose of report

The purpose of this report is to set out the Capital Strategy 2019/20

Attachment(s)

Appendix 1: Capital Strategy 2019/20 (*to follow*)

1 Introduction

- 1.1 The revised Prudential Code 2017 introduced the requirement in 2019/20 for councils to publish a Capital Strategy, focussing around longer term planning and the requirement for the council to consider both capital and investment decisions in line with service objectives, which also takes account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 The Capital Strategy will allow consideration of borrowing for capital investment alongside more commercial and third party type investments so the overall impact on affordability and risk on financial sustainability can be identified and understood. The importance of this is highlighted due to increasing commercialisation as all potential liabilities and risks should be considered to ensure activity remains proportionate.
- 1.3 The council developed its first Capital Strategy in 2018/19 (in advance of the requirement), before detailed guidance was released regarding what should be included.

2 Capital Strategy 2019/20

- 2.1 The Capital Strategy considers the following areas:
 - The framework and process to be adopted for capital investment, including the scope and principles
 - Prioritisation and evaluation of capital projects and proposals
 - Capital funding options
 - Performance measurement and risk management, including governance

The Capital Strategy can be seen in detail at **Appendix 1**.

3 Equality and Diversity Implications

- 3.1 There are no equality and diversity implications arising from the content

4 Privacy Implications

- 4.1 There are no privacy implications arising from the content.

5 Legal Implications

5.1 There are no legal implications arising from the content.

6 Risk Management

6.1 The risks arising from the capital programme are recorded in the Risk Register. The risks are subject to regular review and update.

7 Resource and Financial Implications

7.1 This report is of a financial nature and the implications are set out within the report.

8 Constitutional Implications

8.1 This report does not require any amendment to the council's constitution.

9 Implications for our Customers

9.1 There are no implications for our customers arising directly from this report.

10 Corporate Outcomes

10.1

- **Good Value for Money** - *This report demonstrates that the council is ensuring it effectively manages its surplus cash to achieve good value for money for the council.*
- **Effective Management** - *Treasury Management allows the council to manage its surplus cash balances to ensure the main principles (Security, Liquidity, and Yield) are maintained, contributing to effective management of the council.*

11 Recommendations

11.1 TO FINANCE SUB-COMMITTEE:-

1. To Note the Capital Strategy for 2019/20
2. That the report be referred to the Policy and Resources Committee for consideration at its meeting on 27 February 2019.

(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)

11.2 TO POLICY AND RESOURCES COMMITTEE:-

1. That the Committee recommends that Full Council invites the Leader of the Council to propose the approval of the Capital Strategy for 2019/20



(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)

11.3 TO COUNCIL:-

(To be proposed by the Leader of the Council)

1. That council approves the Capital Strategy for 2019/20

(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)

Legal	Power: Local Government Finance Act 2002				
	Other considerations: Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2017.				
Background Papers:					
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Date: 30/01/2018					
CFO 31/01/19		MO 31/01/19		CX 31/01/19	