

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

THURSDAY, 1 FEBRUARY 2024

Report Title	Stroud District Council Capital Strategy			
Purpose of Report	To approve the Council's Capital Strategy			
Decision(s)	The Committee RECOMMENDS that Council approve the Capital Strategy at Appendix A.			
Consultation and Feedback	None			
Report Author	Graham Bailey, Principal Accountant Tel: 01453 754133 Email: graham.bailey@stroud.gov.uk			
Options	The Council's Capital Strategy was introduced in April 2019 and should be subject to annual approval.			
Background Papers	CIPFA Prudential Code 2021			
Appendices	Appendix A – Stroud District Council Capital Strategy			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 Under the Local Government Act 2003 the Council should have regard to the CIPFA Prudential Code. In 2018 this code was revised to include a requirement for every local authority to produce a “Capital Strategy”. The CIPFA Prudential Code was revised and re-issued in December 2021.
- 1.2 The CIPFA Prudential Code 2021 states that “In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure, borrowing and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. Authorities should report on and clearly distinguish investments for treasury management, service and commercial purposes”.
- 1.3 The Capital Strategy was last approved by Council 16 February 2023 and the document should be reviewed at least annually and must be considered a “live” document to be used throughout the financial year.

2. THE CAPITAL STRATEGY

- 2.1 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.
- 2.2 The Capital Strategy is split into four main sections to enable the reader of the strategy to clearly see the main issues as they are presented.
- 2.3 Section one sets out the basics of Capital Expenditure and the general principles which the Council will follow in its capital programme. The principles are as follows;
- Capital Investment is a vital tool in delivering strategic priorities
 - The capital programme will include only those schemes which assist in delivering a Council priority
 - The evaluation of capital schemes for inclusion on the programme will follow an agreed process which allows scrutiny whilst not limiting innovation and adaptability
 - The funding of the capital programme must be considered alongside the revenue budget and balance sheet position as part of the Council's integrated financial planning
 - Capital projects will be monitored and evaluated, both during and after completion, to ensure their efficient progress and that any lessons learnt can be transferred to other Council schemes
- 2.4 Section two shows how the Council will select, approve and monitor capital schemes.
- 2.5 Section three covers the different sources of funding for Capital Projects and the principles that will be followed in applying them. This includes the Council's policy on new borrowing setting out that the Council must consider the interest and MRP implications of any new borrowing.
- 2.6 Section Four links to existing Council policies on risk and treasury management. It also includes an analysis of the skills and knowledge within the organisation.

3. CONCLUSION

- 3.1 This capital strategy is compliant with the requirements of the revised CIPFA Prudential Code 2021. Relevant text and tables in the Strategy have been updated to reflect the current capital schemes and related financial data.

4. IMPLICATIONS

4.1 Financial Implications

The whole report is of a financial nature. An effective Capital Strategy is a key part of an effective financial management system.

Lucy Clothier, Accountancy Manager
Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk

4.2 Legal Implications

The Local Authorities (Capital Finance and Accounting) Regulations 2003 states that Authorities must have regard to CIPFA's Prudential Code. Local Authorities must also have regard to the Investment Guidance issued by Secretary of State under section 15(1)(a) of the Local Government Act 2003. Publication of the Authorities strategies is a statutory requirement and conforms to best practice as required by the CIPFA Code of Practice.

One Legal
Tel: 01684 272012 Email: legalservices@onelegal.org.uk

4.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.