

STROUD DISTRICT COUNCIL

COUNCIL

17 FEBRUARY 2022

Report Title	Stroud District Council Capital Strategy			
Purpose of Report	To approve the Council's Capital Strategy.			
Decision(s)	Council RESOLVES to approve the Capital Strategy at Appendix A as recommended by Strategy and Resources Committee.			
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
	No	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 25 February 2021 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 these 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. Changes have been made this year as a result of the Investment and Development Panel no longer being in place, and also to better reflect the role of Policy Committees in the process.

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 Amendments arising from the CIPFA Prudential Code 2021 have been made to the Strategy approved by Council in February 2021. Also relevant text and tables have been updated to reflect the current capital schemes and related financial data.

4. IMPLICATIONS

4.1 Financial Implications

There are no significant financial implications from the report. The Capital Strategy sets out the Council's approach to setting and monitoring the capital programme.

The Strategy has been updated this year to reflect the new priorities within the Council Plan.

Andrew Cummings, Strategic Director of Resources
Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

4.2 Legal Implications

Legal implications are set out in the body of the report.

One Legal
Tel: 01684 272203 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.