

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

8 OCTOBER 2018

Title:

TREASURY MANAGEMENT FRAMEWORK - CAPITAL STRATEGY

[Portfolio holder: Cllr Ged Hall]

[Wards affected: N/A]

Summary and purpose:

The Council is required to have in place a Capital Strategy that sets out how capital expenditure and investment decision are made and reviewed. This strategy is required to be approved by Council.

How this report relates to the Council's Corporate Priorities:

The Capital Strategy supports the delivery of strategic objectives through the use of resources and property assets.

Equality and Diversity Implications:

There are no direct equality and diversity implications arising from this report. Equality Impact Assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the public sector equality duty under the Equality Act 2010.

Financial Implications:

The Capital Strategy is part of resource and business planning.

Legal Implications:

The Prudential Code for Capital Finance in Local Authorities issued by the Chartered Institute of Public Finance and Accountability (CIPFA) requires local authorities to have in place a Capital Strategy.

1. Background

- 1.1 In order to demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, local authorities are required to have in place a Capital Strategy.
- 1.2 The Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of objectives.
- 1.3 The Capital Strategy also incorporates the valuable work undertaken and recommendations made by the Value for Money and Customer Services Overview

and Scrutiny Committee in their Capital Expenditure and management review report presented to the Executive in March 2018.

- 1.4 The Capital Strategy forms part of the Council's integrated revenue, capital and balance sheet planning. It is informed by the other strategies already adopted such as the Treasury Management Strategy and Property Investment Strategy.
- 1.5 Council on the 24 April 2018 received the Treasury Management Framework 2018/2019. This report noted that a separate Capital Strategy would be developed during 2018/2019.
- 1.6 The attached Capital Strategy reflects the comments of the Value for Money and Customer Services Overview and Scrutiny Committee, which endorses the Strategy to the Executive and Council.

2. Comments from VfM and Customer Service Overview and Scrutiny Committee

- 2.1 The Value for Money and Customer Service O&S Committee met on Monday 10 September and made the following observations on the Capital Strategy:
 - Members reflected on the Committee's recent review of Capital expenditure and suggested that changing the tense from present to future would not only make the document read better as a Strategy, but also more accurately reflect the current situation and aspirations of the council in relation to its Capital process and management.
 - Officers agreed to review the phrasing and tense of the Strategy, particularly paragraph 2.2, so that it better reflected the current situation.

Recommendation

That the Executive agrees to recommend the proposed Capital Strategy to Council for approval.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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