

Chichester District Council

CABINET

06 February 2024

Draft Capital Strategy 2024-25 to 2028-29

1. Contacts

Report Authors:

Helen Belenger – Divisional Manager Financial Services
Telephone: 01243 521045 E-mail: hbelenger@chichester.gov.uk

Kevin Gillett – Valuation & Estates Manager
Telephone: 01243 534727 E-mail: kgillett@chichester.gov.uk

Cabinet Member:

Mark Chilton - Cabinet Member for Finance, Corporate Services and Chichester Contract Services
Telephone: 07836589342 E-mail: mchilton@chichester.gov.uk

2. Recommendation

- 2.1. **That the Cabinet considers the Council's draft Capital Strategy for 2024-25 To 2028-29 and recommends it to Council for approval.**

3. Background

- 3.1. This capital strategy report gives a high-level overview of how capital expenditure and its financing, contribute to the provision of local services, and describes how risks to future sustainability are managed.
- 3.2. Decisions made as part of the spending plans for the forthcoming year will have financial consequences for the Council and its community for many years into the future.
- 3.3. Linked to the capital strategy is the Treasury Management and Investment Strategies for 2024-25, which this Committee will consider on this agenda before recommending to Cabinet and Council, for their February Meetings. These documents underpin the financial management of the Council and adheres to the national regulatory framework and the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

4. Outcomes to be achieved

- 4.1. The Council's Capital Strategy for 2024-25 to 2028-29 are approved before 1 April 2024 in accordance with CIPFA's Capital Strategy Guidance (2021) "A whole organisation approach".

5. Proposal

- 5.1. The Capital Strategy should be a whole organisation approach, which is linked to the Council's Corporate Plan which sets the priorities for the next three years. This strategy is underpinned by the Council's Financial Strategy, and its revenue planning and the Treasury Management Strategy.
- 5.2. In terms of capital planning the Capital Strategy is a key document to express the Council's vision and ambition to provide assets and infrastructure to support the delivery of its services to the community. The Council's capital spending is influenced by both the Council's Local Plan and its Asset Management Plan.
- 5.3. The Capital Strategy has been updated for the Council's latest spending plans, and associated indicators required under the 2021 guidance from CIPFA for the Prudential Code for Capital Finance in Local Authorities, and the Treasury Management in the Public Services Code of Practice. No significant changes were required as the document is compliant with the guidance issued.
- 5.4. The Committee is asked to consider the draft Capital Strategy 2024-25 to 2028-29, which sets out the governance and vision of the strategy and recommend it to Cabinet and Council for approval in preparation for the new financial year 2024-25.

6. Alternatives that have been considered

- 6.1. There is no 'do nothing' option as the Council is required to approve a Capital Strategy before the start of the new financial year in accordance with the guidance.

7. Resource and legal implications

- 7.1. The Council may put its financial standing at risk, if it did not develop a capital strategy to enable longer-term strategic planned approach to its capital investment. Following the best practice guidance of CIPFA helps avoid ineffective use of its valuable resources. Acceptance of the recommendations in this report would not only help avoid this risk but would demonstrate that the Council's financial matters continue to be managed prudently.
- 7.2. The Strategy reflects some of the Treasury Management Strategy Prudential Indicators to link the various assumptions of future interest rate movements and Government support for capital expenditure. These assumptions have been considered in the 5 year model under pinning the Council's Financial Strategy and resources statement. All these key documents are linked as set out in the strategic planning framework.

8. Consultation

- 8.1. The forthcoming financial year's Capital Strategy document was considered by the Corporate Governance and Audit Committee at its meeting on 22 January 2024, with no changes recommended to Cabinet.

9. Community impact and corporate risks

- 9.1. The development of a capital strategy is a best practice approach to the longer-term strategic planning. Done well, it adds significant value, not only to the successful management of the council, but more importantly to the future success and well-being of the community and the area that it serves.

10. Other Implications

	Yes	No
Crime & Disorder		✓
Climate Change 1. The strategies accompanying this report includes sections on responsible investing and carbon reduction.	✓	
Human Rights and Equality Impact		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓
Other (Please specify): 1. Compliance with the Local Government Act 2003. 2. Compliance with good practice guidance from CIPFA – A Capital Strategy “A whole organisation Approach.”	✓	

11. Appendices

- 11.1. Appendix 1 – Capital Strategy 2024-25 to 2028-29

12. Background Papers

- 12.1. None.