

# Chichester District Council

## Corporate Governance and Audit Committee

9 January 2023

### Draft Capital Strategy 2023-24 to 2027-28

#### 1. Contacts

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#### 2. Recommendation

- 2.1. **That the Committee considers the Council's draft Capital Strategy for 2023-24 to 2027-28 and recommends it to Cabinet and 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 2023-24, which this Committee recommended to Cabinet and Council, at its October 2022 meeting. 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 2023-24 to 2027-28 are approved before 1 April 2023 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 put the Council's vision and ambition to provide assets and infrastructure to support the delivery of its services to the community. This is the reason for acknowledging in the development of the Council's capital spending is influenced by both the Council's Local Plan and its Asset Management Plan.
- 5.3. Appendix 1 sets out the significant changes to the proposed capital strategy considering 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.
- 5.4. The Committee is asked to consider the draft Capital Strategy 2023-24 to 2027-28, 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 2023-24.

## **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 be putting its financial standing at risk, with the lack of developing a capital strategy to enable a longer-term strategic planned approach to its capital investment. Following the best practice guidance of CIPFA's for 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 taken into account 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.
- 7.3. Due to differences in timing between the deadlines for this report and the Council's annual budget, the information contained in the documents at appendix 2 is based on that available as of December 2022. There will inevitably be some difference between these figures and the final approved budget, capital programme and corporate priorities but these will be captured as part of future iterations of these documents.

## **8. Consultation**

- 8.1. The forthcoming financial year's Capital Strategy document will also be considered by Cabinet before being presented to Full Council for approval as part of the spending plans of the Council in February/March 2023.

## 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
<b>Crime &amp; Disorder</b>		✓
<b>Climate Change</b> 1. The strategies accompanying this report includes sections on responsible investing and carbon reduction.	✓	
<b>Human Rights and Equality Impact</b>		✓
<b>Safeguarding and Early Help</b>		✓
<b>General Data Protection Regulations (GDPR)</b>		✓
<b>Health and Wellbeing</b>		✓
<b>Other (Please specify):</b> 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 – Summary of main amendments between 2022-23 and 2023-24
- 11.2. Appendix 2 – Capital Strategy 2023-24 to 2027-28

## 12. Background Papers

- 12.1. None.