

Chichester District Council

CABINET

7 February 2023

Draft Capital Strategy 2023-24 to 2027-28

1. Contacts

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2. Recommendation

- 2.1. **That the Cabinet considers the Council's draft Capital Strategy for 2023-24 to 2027-28 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 2023-24, which Cabinet recommended to Council at its January 2023 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. Cabinet are 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 Council for approval in preparation for the new financial year.

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 fails to develop a capital strategy to enable a longer-term strategic planned approach to its capital investment. Following the best practice guidance of CIPFA's 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.

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 9 January 2023. Officers highlighted that the table detailing service investments limits needed to be updated to reflect the exact information contained in the Treasury Management and Investment Strategy documents recently approved by Council. Also, Table 1 for the capital programme the declared "Total approved spend"

figures for each financial year has been corrected to agree to the capital commitments stated in table 2. No other changes were proposed.

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 – 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.