



# **Capital Strategy**

**Gravesham Borough Council**

**2023 - 2027**

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# 1. Introduction

- 1.1 This Capital Strategy is intended to outline the principles followed by Gravesham Borough Council in its approach to capital investment over the long-term. It sets out the framework within which the council will plan, procure, prioritise and manage its capital investment and financing decisions in support of the delivery of the council's priorities, as set out in the Corporate Plan 2019-2023, and has intrinsic links to the Treasury Management Strategy of the council.
- 1.2 The Local Government Finance Act 2003 provides the statutory framework for the consideration of affordability in the council's capital investment decisions, taking into account both initial capital investment and ongoing revenue implications of the capital investment activity. Capital projects undertaken by the council will primarily focus on those, which deliver long-term economic benefits to the borough and/or generate beneficial financial returns that will contribute to maintaining its ongoing financial sustainability.
- 1.3 The strategy will be reviewed at least annually to ensure it remains fit for purpose and in line with other key strategic documents of the council. Minor updates will be made to the document with the agreement of the S151 Officer. Any material updates will be presented to Full Council for adoption.

## 2. Corporate Priorities and links to other strategic documents

- 2.1 The council's **Constitution** provides the Framework for how the council operates, how decisions are made and the procedures that are to be followed to ensure that these are efficient, transparent and accountable to local people. The Constitution contains specific references to how capital investment planning decisions should be taken.
- 2.2 The **Corporate Plan** is the key document for setting the strategic direction of the council. The plan is developed through consideration of local priorities, understanding the key community characteristics of the borough, consultation with residents, businesses and key stakeholders in the borough and government policies. The Corporate Plan 2019-2023: Delivering a Gravesham to be proud of was adopted by Full Council in October 2019 and set the three strategic objectives of the council as being:
- People:** a proud community; where residents can call a safe, clean borough their home.
- Place:** a dynamic borough; defined by a vibrant and productive local economy taking advantage of growth in the area, supported by its strong and active community.
- Progress:** an entrepreneurial authority; commercial in outlook and committed to continuous service improvement, underpinned by a skilled workforce and strong governance environment.
- 2.3 Each council department is required to prepare an annual **Business Plan** to demonstrate how its activity in the forthcoming year contributes to the delivery of the Corporate Plan objectives. The Business Planning template identifies where projects to be undertaken during the year are likely to require capital investment.
- 2.4 The **Medium Term Financial Strategy (MTFS)** sets out how the council will plan for and meet the financial challenges it faces over the medium term as a means of delivering a robust and stable financial basis on which to deliver quality council services. The council recognises the importance of ensuring that its increasingly limited revenue and capital resources are aligned with key policy priorities.
- 2.5 The **Treasury Management Strategy** documents how the council will manage its cash flows and investment transactions and seek to effectively control the risks associated with such activities in the pursuit of optimum performance consistent with those risks. The strategy also sets out how the council will make use of external professional advisors and ensure that the knowledge and skills of officers and Members involved in such activity are maintained. The Capital Strategy will seek to determine the borrowing need of the council, with this informing long term cash planning and therefore the treasury management activity of the council.
- 2.6 The **Housing Strategy** shows how the council and its partners will work together to address the borough's housing needs and includes specific priorities to improve the quality of housing in both the private and public sector and to maximise the supply of affordable housing. This is intrinsically linked to the **Housing Development Strategy**, which identifies how the council intends to add to its housing stock and the types of homes the council aims to deliver. Historically, expenditure on the council's housing stock had represented the largest element of the council's capital investment programme. In more recent years, focus has been on maintaining the standard of the council's housing stock and delivering the council's commitment to delivering new council housing units.

- 2.7 The corporate **Property Strategy** presents a framework for the strategic management of the council's non-dwelling property assets. The principle objectives of the Property Strategy are:
- To provide members and senior management with a source of reference for property related assets.
  - To retain, increase and develop new sources of income from assets.
  - To provide a financial return through its investment portfolio and sales of surplus assets.
  - To support a programmed, planned maintenance programme.
  - To assist Housing Development with the council's new build housing development programme.
  - To support adequate and appropriate accommodation for services
  - To assist with the delivery of major projects (e.g. Fleet Leisure and Heritage Quarter).
- 2.8 The **Property Acquisition Strategy** provides a framework for purchasing commercial property assets as a way of securing a better total return (i.e. from both income and capital appreciation) than cash investments, whilst still maintaining a high level of security.
- 2.9 The **IT Strategy** details how Information and Communication Technology (ICT) can be applied and developed to support the delivery of the Corporate Plan, the transformation agenda of the council and drive service improvement by enabling change and efficiencies.
- 2.10 The **Digital Strategy** supports the customer service and access strategy of the council and aims to expand the service delivery options by providing and encouraging customers to use the most convenient and cost-effective digital contact channels, where appropriate.
- 2.11 The **Climate Change Strategy** supports the council's pledge to make operations net zero by 2030.

### 3. Capital Expenditure

- 3.1 Capital expenditure involves the acquisition, creation or enhancement of fixed assets such as land, buildings or equipment, which have a long-term value to the council. Such assets support the delivery of council services over the long term and create ongoing financial commitments to the council, either through capital financing requirements or ongoing revenue costs. The council uses the following classification of assets:

<b>Asset Classification</b>	<b>Asset Type Examples</b>
Property, Plant and Equipment	Council dwellings
	Land and buildings
	Vehicles, plant and equipment
	Infrastructure assets (e.g. paths, street furniture)
	Community Assets (e.g. parks and open spaces, allotment sites)
	Assets Under Construction
Intangible Assets	IT Software
Investment Properties	Properties principally held by the council to provide a revenue income stream/capital appreciation
Heritage Assets	Assets of historic or cultural interest to the borough (e.g. statues, monuments, civic regalia)
Assets Held for Sale	Assets that are being actively marketed for disposal

- 3.2 The council applies a de minimis level of £12,000 for individual items to be charged as capital expenditure. Items below this level are charged to revenue in the year that the expenditure is incurred.

## 4. Capital Expenditure and Treasury Management Investments

- 4.1 Treasury Management investments take place as a consequence of the council's cash flows and debt management activity and will seek to maximise the return on the cash balances held by the council until this is required for use in the delivery of council business.
- 4.2 The council's treasury management investment priorities will be security first, liquidity second and then return. The management of these activities is documented in the Treasury Management Strategy and the Annual Investment Strategy.
- 4.3 The council's Annual Investment Strategy recognises that the council may, from time to time, make investment decisions as part of its policy decision making process or to help it fulfil its strategic objectives. Such decisions will be subject to due diligence checks but will be classified as a service investment or commercial investment (and capital expenditure) rather than a treasury management investment. At the time of preparing this strategy the council had interests in two investments:
- Municipal Bonds Agency (MBA) – established by the Local Government Association (LGA) to provide councils with the opportunity to raise funds at significantly lower rates than those offered by the Public Works Loan Board (PWLb).
  - Commercial acquisitions – assets purchased under the council's Property Acquisition Strategy.

## 5. Commercial Activity and Property Investment Decisions

- 5.1 During 2023, the council will continue its programme of activity to develop new ways of working and create new income streams through trading operations. Any council investment in specific trading operations will be subject to developed business cases, supported by independent technical, legal, risk management and financial advice as required. Ongoing performance of these operations will be monitored by the council to ensure that they continue to operate within the parameters set by the council as primary shareholder.
- 5.2 Commercial property investment decisions are directed by the requirements of the Property Acquisition Strategy. The strategy forms part of the council's overall activity to proactively respond to ongoing pressures on local government funding and sets the principal criteria for selecting investable property assets.
- 5.3 The powers to acquire or dispose of properties purchased under the strategy have been delegated to the Chief Executive or Director (Corporate Services), supported by a cross-political party working group advised by the Chief Executive, Director (Corporate Services) and the Monitoring Officer. As appropriate, independent external professional advice is sought as part of the due diligence arrangements in evaluating potential acquisitions. These arrangements ensure that appropriate governance arrangements are in place whilst also reflecting the need for the council to be able to respond quickly in the event of a suitable property coming to market. The council will only pursue opportunities within the borough if it is felt that the acquisition would bring forth, economic development, jobs and/or future housing opportunities.
- 5.4 Any decisions made by the Chief Executive or Director (Corporate Services) are reported to the next meeting of the Cabinet for information purposes. Monitoring of activity under the strategy will be reported to Cabinet and the Finance & Audit Committee through budget monitoring reports, specific reports on the performance of the council's property investment portfolio and through the council's Performance Management Framework and Treasury Management Indicators.
- 5.5 The council has recognised that its decisions to invest in commercial property will expose it to fluctuations in the commercial property market. To this end, the council has established a Commercial Income Protection Reserve intended to meet any maintenance and upkeep requirements of assets purchased under the Property Acquisition Strategy or to smooth the impact on the General Fund revenue budget of any unplanned void periods. The Reserve is valued at 15% of the Rental Income reflected in the Medium Term Financial Plan.
- 5.6 Government continues to maintain the view that local authorities may become overly dependent on commercial income as a source of revenue for delivering statutory services. In November 2020 HM Treasury published new PWLB lending criteria prohibiting access to PWLB funding for three years where councils undertook to buy investment assets. A consultation exercise was undertaken which concluded that the PWLB would not be available to any authority, for any purpose, if their capital programme included commercial acquisitions where they could not demonstrate that the purchase was for economic development, creation of jobs/housing or for acquisitions outside of the borough.
- 5.7 The council will continue to keep abreast of developments in this area and ensure its activity has due regard to the codified guidance in place at the time of any decision.



## 6. Loans

- 6.1 The council has discretion to make loans for a number of reasons, but primarily for economic development or furtherance of housing delivery to meet the needs of the borough. Any such loans will be treated as capital expenditure.
- 6.2 In making loans the council will undertake appropriate due diligence to evaluate the borrower and the risk of borrower default on repayment amounts, ensuring that loan terms are reflective of this evaluation. As per the Constitution of the council, any decision to issue a loan will be taken in accordance with the treasury management policies and practices approved by Full Council.

## 7. Priority Areas for capital investment

- 7.1 The council recognises the importance of strategic consideration of capital project proposals as a means of prioritising the limited capital resources it has whilst ensuring the availability of resources so that essential assets continue to be provided and maintained.

### General Fund

- 7.2 The financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for capital investment has reduced significantly over recent years, and the council recognises that capital investment will increasingly need to rely more on internal resources or through the council pursuing capital projects which are either self-sustaining or generate positive returns, both in terms of meeting corporate objectives and producing revenue savings.

- 7.3 The council's capital investment priorities for the General Fund will be:

- **Corporate Property Assets** – the council has a land and property portfolio valued at some £48m at 31 March 2022, (subject to external audit validation) which is subject to periodic review by Property Services to ensure that these assets continue to support the delivery of council services over the long term. The council has established a maintenance programme to support its key property assets which considers both capital and revenue requirements to ensure that these assets remain operational. Where acquisition or disposal of land or property assets is recommended, this will be actioned in accordance with the Property Strategy.
- **Sustainability of the council** – the council will seek to invest in capital projects that support the sustainability of the council and the borough over the longer term.
- **Regeneration Investment** – the council will seek to invest in capital projects that support longer term economic growth and place shaping. This will include the acquisition of strategic sites for the purpose of delivering such projects.

- 7.4 The following material investments are planned to take place between 2023 and 2026:

- **The Charter** – work continues on the development of the Charter, via the Council's Local Authority Trading Company; Rosherville Ltd.
- **New Leisure Centre** – budget to fund the build costs of a new leisure centre in the Borough.

## Housing Revenue Account

7.5 The financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for capital investment has reduced significantly over recent years, and the council recognises that capital investment will increasingly need to rely more on internal resources or through the council pursuing capital projects which are either self-sustaining or generate positive returns, both in terms of meeting corporate objectives and producing revenue savings.

7.6 The council's capital investment priorities for the Housing Revenue Account will be:

- **Council Dwellings** – the council has dwellings portfolio valued at some £414m at 31 March 2022, (subject to external audit validation). As a Landlord, the council has a responsibility to ensure that the dwellings it provides are fit for purpose and maintained to a decent standard. Where acquisition or disposal of dwellings is recommended, this will be actioned in accordance with the approved Housing Development Strategy. Investment in the council housing stock ensures properties remain lettable, helping to secure and sustain the rental income, which fundamentally ensures the viability of the HRA. The council undertakes a programme of stock condition surveys to ascertain the status of its housing stock and inform both capital and revenue expenditure requirements over the next 30 years to ensure the stock is sufficiently maintained.
- **New Build and Acquisitions** – The council will be looking to continue the programme set out in 2021-22, which has been severely impacted by COVID-19 pandemic. The programme utilises the '1-4-1' receipts generated from the sale of council dwellings through the Right to Buy (RTB) scheme, which from April 2021 are to be used to meet 40% on the cost of eligible new build schemes and dwelling acquisitions. This investment helps to deliver housing to meet the needs of the borough, as well as offsetting the loss of housing stock and associated rent income loss from sales through RTB.

7.7 The following material investments are planned to take place between 2022 and 2027:

- **Maintenance of existing dwelling stock** – delivery of a programme of works focused on the replacement and improvement of elements within dwellings and ensuring the health & safety of our tenants.
- **New Build and Acquisitions** – investing in the expansion of the council housing stock for the purpose of delivering further affordable housing for use by residents of the borough.

## Sources of Capital Funding

7.8 Central government support for capital investment has reduced significantly over recent years and financial resources available to meet corporate priorities continue to be constrained in the current economic and political climate. There is a need, therefore, for greater reliance to be placed on internal resources or external funding, including borrowing, to fund capital investment. Decisions on capital investment will need to have a greater focus on projects that are either self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.

7.9 The capital programme will be funded from the following principal sources:

- **Central government** - Grants may be allocated in relation to specific programmes or projects, such as the Disabled Facilities Grant.
- **Third Party funding** - funding for capital projects may also be provided by quasi-government sources, national organisations or other parties external to the council. The Council will always seek to maximise external contributions, subject to any related grant conditions and/or match-funding obligations.
- **Developer contributions** - these represent contributions from developers on implementation of a permitted scheme towards the provision of public assets or facilities and are generally linked to the mitigation of impacts of developments on existing communities. These contributions are usually earmarked for specific purposes in planning agreements and are generally related to infrastructure projects.
- **Unsupported borrowing** - under the Prudential Code the council has discretion to finance the capital programme by undertaking borrowing to fund capital projects with the full cost of that borrowing being funded from within council resources. Each proposal for borrowing will be assessed in its own merit to ensure that it is prudent, affordable and sustainable.

The council has set an authorised limit and operational boundary for gross debt with this reviewed and monitored by the Finance & Audit Committee as part of their treasury management responsibilities. The limits for the forthcoming year and following two financial years are set out below:

<b>Operational Boundary</b>	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
<b>Total</b>	391.780	388.770	388.770	388.770

<b>Authorised Limit</b>	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
<b>Total</b>	358.670	403.770	403.770	403.770

- **Capital receipts from asset disposal** - council assets which are deemed surplus may be considered for disposal, generating capital receipts that can then be directed to fund other capital projects.
- **Revenue Contributions, Balances and Reserves** - capital expenditure may be funded directly from an in-year revenue contribution, a direct contribution from working balances or by specific revenue reserves set aside for such purposes.

## 8. Flexible Use of Capital Receipts (Capital Receipts Strategy)

- 8.1 As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation. The latest government guidance was issued in August 2022.

### The Guidance

- 8.2 The Guidance requires local authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The guidance shown below constitutes the Capital Receipts Strategy for Gravesham Borough Council.
- 8.3 The Guidance provides a definition of expenditure which qualifies to be funded from the capital receipts flexibility. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. There are a wide range of projects that could generate qualifying expenditure. The key determining criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
- 8.4 In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.
- 8.5 The Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specified that qualifying expenditure could include;
- Sharing back-office and administrative services with one or more other council or public sector bodies;
  - Investment in service reform feasibility work, e.g. setting up pilot schemes;
  - Collaboration between local authorities and central government departments to free up land for economic use;
  - Funding the cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation;
  - Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
  - Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
  - Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
  - Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
  - Integrating public facing services across two or more public sector bodies (for example children's social care or trading standards) to generate savings or to transform service delivery.

- 8.6 The guidance requires that the strategy should specify current and past projects that plans to make use of / has made use of flexible capital receipts and report on the savings/ service impacts and transformation this provided.
- 8.7 Gravesham has no current or past projects that have made use of flexible capital receipts. This will be monitored and reported in future updates to the Capital Receipts Strategy.
- 8.8 The link to the latest government guidance can be found via the link below

[Guidance on the flexible use of capital receipts \(updated August 2022\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-on-the-flexible-use-of-capital-receipts)

## **9. Identification and appraisal of capital project proposals**

- 9.1 There is a requirement for the council to ensure continued funding for existing programmes of work and to prioritise new capital projects that come forward. For this purpose, the council has developed a capital bid process. New project proposals will be submitted using the CP1 Form (see Appendix One) and will be initially endorsed by the relevant Director before being put forward for further evaluation by Financial Services.
- 9.2 The council has adopted the following high level criteria in assessing such bids:
- the extent to which the project contributes to meeting the key aims and objectives of the Corporate Plan;
  - the extent to which projects contribute to the priority areas set out in the strategy;
  - the impact of the project on service provision and meeting statutory obligations;
  - the financial viability of the project and the extent to which it provides future benefits to the council and the wider community;
  - the consequences of not undertaking the project.
- 9.3 On receipt of a CP1 Form, the evaluation process will be conducted by Financial Services as part of the annual budget setting process. The outcomes of the evaluation exercise will then be presented to the council's Management Team for review and endorsement of projects to be taken forward. As part of the annual budget setting process, the endorsed capital programme will be presented to Cabinet initially before being proposed to and approved by Full Council.
- 9.4 Capital plans for the forthcoming five years are incorporated into the annual budget book. The Medium Term Financial Plan and HRA Business Plan incorporate the anticipated revenue effects arising from the capital programme. In year capital project proposal can be generated from a variety of sources, primarily from external funding opportunities or a need to respond to a particular issue that has arisen during the year. Such proposals will be considered in the same way as those submitted through the annual capital bid process.

## **10. Revenue implications of Capital Expenditure**

- 10.1 In approving projects for inclusion within the capital programme, the council will ensure that capital investment plans are affordable, prudent and sustainable, taking into account the arrangements for the repayment of debt through the Minimum Revenue Provision (MRP) policy approved as part of its treasury management

framework. Anticipated ongoing revenue budget implications of capital expenditure decisions will be documented on the CP1 form used to capture and consider new project proposals.

- 10.2 Capital financing charges, additional running costs, savings on expenditure or income arising from capital investment decisions will be reflected in the Medium-Term Financial Plan.

## 11. Capital Programme 2023/24 to 2027/28

11.1 The council has a statutory responsibility to set a fully funded three-year capital programme each year when agreeing the budget.

11.2 For the purposes of strategic capital planning, the council has extended its public capital programming horizon to five years and the proposed summary programmes for both the General Fund and HRA are provided below. These plans are also published in the Budget Book, which supports the budget and council tax setting considerations, by Full Council in February each year.

<b>TOTAL RESOURCES USED</b>	<b>2023/24 Original Budget (£)</b>	<b>2024/25 Original Budget (£)</b>	<b>2025/26 Original Budget (£)</b>	<b>2026/27 Original Budget (£)</b>	<b>2027/28 Original Budget (£)</b>
General Fund Capital Expenditure	74,195,860	16,058,060	2,026,500	2,281,600	1,219,600
HRA Capital Expenditure	20,594,560	15,772,960	11,427,490	11,180,680	11,440,190
<b>TOTAL CAPITAL PROGRAMME</b>	<b>94,790,420</b>	<b>31,831,020</b>	<b>13,453,990</b>	<b>13,462,280</b>	<b>12,659,790</b>
<b>FINANCED BY:</b>					
Grants & Contributions	4,771,860	1,220,870	1,019,600	1,019,600	1,019,600
Major Repairs Reserve	5,554,170	5,587,510	5,737,820	5,909,950	6,087,250
Capital Receipts	8,056,260	3,600,040	1,873,940	1,810,640	1,744,150
Specific Reserves	1,892,640	1,315,260	282,000	1,112,000	150,000
Revenue Contributions	3,809,260	3,823,410	937,250	505,900	476,990
External Borrowing	66,890,470	16,283,930	3,603,380	3,104,190	3,181,800
Internal Borrowing	3,564,790	0	0	0	0
Revenue Grants Not Yet Applied	250,970	0	0	0	0
<b>TOTAL RESOURCES USED</b>	<b>94,790,420</b>	<b>31,831,020</b>	<b>13,453,990</b>	<b>13,462,280</b>	<b>12,659,790</b>

11.3 The fully funded five-year Capital Programme of the council has a total value of £166.2m of which:

- £95.8m relates to General Fund projects
- £70.4m relates to HRA projects



## 12. Governance and monitoring of the capital programme

- 12.1 The Capital Strategy will be considered annually by the Finance and Audit Committee before being presented for approval by Full Council.
- 12.2 The Constitution of the Council (Financial Procedure Rules, Annex 2.6) requires:
- the Section 151 Officer to ensure that a three-year programme of capital expenditure is prepared on an annual basis, following the principles established in the Council's Medium Term Financial Strategy. The programme will show projects already approved and those for future consideration. Such programmes will be considered by the Chief Officer Management Team and Cabinet before submission to the Full Council.
  - the Section 151 Officer and the Director responsible for development management to maintain a register of capital funding sources.
  - a full report to be presented to Cabinet for any planned or proposed capital expenditure exceeding £100,000 or which might entail the council taking on significant liabilities before any contractual commitment is entered into.
  - A full report to be presented to Cabinet where a revised estimate of a scheme either exceeds £100,000 or exceeds the last reported estimate by an amount equal to 2% or £10,000, whichever the lesser figure.
- 12.3 The annual business planning process for the council requires each department to set out proposed projects for the year and identify where such projects are likely to require capital investment and how projects link to corporate plan objectives and policy commitments.
- 12.4 In-year capital requirements are assessed in accordance with the evaluation process defined in this strategy and are considered by Management Team prior to presentation to Members.
- 12.5 At least quarterly, responsible officers are requested to provide updates on the delivery of projects included within the annual capital programme. This process is supplemented by financial monitoring information produced by Financial Services and circulated to key officers.
- 12.6 The capital programme is monitored on a quarterly basis as part of the Council's budget monitoring arrangements by both Cabinet and the Finance and Audit Committee, with reports to Members provided on new projects, variations to existing projects, slippage in programme delivery and the progress of significant schemes.
- 12.7 The Capital Strategy and the capital programme is subject to Internal and External Audit review.

## **13. Understanding and Managing Risk**

- 13.1 Risk is considered throughout the capital investment process set out in this strategy through the way in which projects are appraised, approved, monitored and reported on. The Prudential Indicators reported as part of the council's treasury management monitoring arrangements also provide measures by which the council can assess and understand the risk of its capital investment decisions and ensure that capital expenditure remains affordable, prudent and sustainable.
- 13.2 The council has adopted a project management approach. Project management tools will be used in accordance with the size and scale of the project, with a risk assessment carried out as part of the completion of any Project Initiation Document.
- 13.3 Each capital investment project is assessed to ensure that the council is aware of any taxation implications the project may present.
- 13.4 The council is facing diminishing capital resources and limited access to grants and external funding opportunities, which means the council, needs to monitor use of available funds to ensure that it is fully aware of the financial implications of capital investment. Suitability and availability of funding is considered on a project-by-project basis and levels of capital resources are reported to Management Team and Members through quarterly budget monitoring reports.
- 13.5 The acquisition or disposal of capital assets, or procurement contract to deliver or maintain capital assets are to be conducted in line with the council's Contract Procedure Rules and Procurement Strategy.

## **14. S151 Officer Assurance**

- 14.1 This capital strategy has been prepared in line with the requirements of the 2021 CIPFA Prudential Code and 2021 Treasury Management Code.
- 14.2 The Section 151 Officer views the strategy to be prudent and affordable and fully reflective of the council's Medium Term Financial Strategy, Treasury Management Strategy and other Strategic Plans.