Capital Strategy

Gravesham Borough Council

2024/25 – 2028/29

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1. Introduction

1.1 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.

1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and take account of stewardship, value for money, prudence, sustainability, and affordability.

1.3 This strategy covers all council capital expenditure, for General Fund or Housing Revenue Account purposes and whether resourced directly by the council, through borrowing or by grant or other financial resources secured from external funding opportunities.

1.4 The Capital Strategy is refreshed at least annually in line with the MTFS and TMSS to ensure it remains fit for purpose, in line with the requirements of the Prudential Code and supportive of investment decisions that align with the delivery of the council's strategic aims and objectives.

2. Purpose and Objectives

2.1 The Capital Strategy forms part of Gravesham Borough Council's framework for financial planning and is intended to outline the principles followed by council in its approach to capital investment over the longer-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: 2023-2027, and has intrinsic links to the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy Statement (TMSS) of the council.

2.2 This Capital Strategy seeks to achieve a number of specific objectives:

- To ensure that the Capital Programme of the council is realistic and affordable.
- To ensure investment decisions are prudent, affordable and sustainable and adhere to the Prudential Code, Treasury Management Strategy Statement and regulatory requirements.
- To ensure that capital expenditure plans support defined priorities of the council, as set out in its Corporate Plan and other key strategic documents.
- To ensure that effective governance and prioritisation processes are in place to plan capital investment projects and monitor projects over their term so as to manage, mitigate and identify any project delivery challenges and understand revenue and capital cashflow impacts.
- To ensure that any on-going revenue cost implications including Minimum Revenue Provisions (MRP) and debt costs are understood and accounted for without impacting on existing financial savings targets of the council, as set out in the MTFS.
- Wherever possible, to ensure that capital investment activity is directed to projects that provide ongoing revenue savings for the council or are expected to make a contribution to revenue income, whilst not investing in debt-for-yield schemes.

3. Corporate Priorities and links to other strategic documents

3.1 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.

3.2 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 2023-2027: Together – Proud to be Gravesham* was adopted by Full Council in October 2023 and set the thee strategic objectives of the council as being:

- **#oneborough**: *a safe, clean, and attractive living environment, enhanced by a sustainable and increasingly energised local economy.*
- **#onecommunity***: an active, engaged, and culturally enriched population, built on the foundations of an affordable and quality local housing offer.*
- **#onecouncil**: *a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact.*

3.3 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.

3.4 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. The **Medium Term Financial Plan (MTFP)** provides a numerical representation of the MTFS for General Fund Services, with the HRA Business Plan providing the equivalent for the Housing Landlord Services.

3.5 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.

3.6 The **IT & Digital Strategy** sets out clearly how we will deliver continual improvements to our services through the use of technology, ensuring it is now and will remain fit for purpose and is able to adapt to changes in both technological advances and demand.

3.7 The **Climate Change Strategy** supports the council's pledge to make operations net zero by 2030.

4. Economic Summary

4.1 In more recent years, the national economic position has been influenced by a number of factors including the Covid-19 pandemic, the withdrawal of the United Kingdom from the European Union, Russia's invasion of Ukraine and the cost-of-living crisis. This, coupled with changes in the way local government capital funding is provided, has led to increased volatility in long-term capital investment projects from inflation, interest rates and suppressed economic growth projections, which can manifest itself in individual projects through increased construction and material costs, increased cost of any borrowing requirement and a lack of supply of suitable workforce or suppliers/contractors in the market.

5. Capital Expenditure

5.1 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:

Asset Classification	Asset Type Examples
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

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

6. Capital Expenditure and Treasury Management Investments

6.1 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.

6.2 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.

6.3 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 rather than a treasury management investment.

7. Investment Decisions – Commercial Activity and Investment Property

7.1 During 2024-25 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 through its Shareholder Group to ensure that they continue to operate within the parameters set by the council as primary shareholder.

7.2 Property and land investment decisions will continue to be directed by the council's Corporate Plan objectives and supported by the development of a business case for any acquisitions that are to be proposed.

7.3 CIPFA defines investment property as property held solely to earn rentals, for capital appreciation, or both. Returns from property ownership can be both income-driven (through the receipt of a revenue rental income) and by way of appreciation of the underlying asset value (capital growth).

7.4 The council has previously invested its own internal resources in property for the purpose of economic development and regeneration and as a means to secure additional revenue income to support the provision of services to the community.

7.5 In undertaking new investment decisions, the council is mindful of the Prudential Code requirements regarding undertaking investment activity, particularly borrowing, for the primary purpose of generating financial returns. Resultantly, this Strategy prohibits the consideration of any proposals where yield is the primary purpose. The council will continue to progress opportunities for regeneration and housing developments, in accordance with the revised guidance and lending terms.

8. Loans and investment in local organisations

8.1 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.

8.2 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.

9. Priority Areas for capital investment

9.1 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

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

- **Investment to improve and maintain Corporate Property Assets –** the council has a land and property portfolio, (classified as Other Land & Buildings on the balance sheet), valued at some £44m at 31 March 2023, (subject to external audit validation) which is subject to periodic review to ensure that these assets continue to support the delivery of council services over the long term.

- **Investment to support sustainability, inclusivity and economic growth –** the council will seek to invest in capital projects that support the sustainability of the borough over the longer term, particularly as a means of supporting longer term economic growth, place shaping and providing wider community benefits, particularly around health and wellbeing and delivery of the council's Climate Change Strategy. This could include the acquisition of strategic sites for the purpose of delivering such projects.

- **Investment to save –** the council will seek to invest in capital projects that support the sustainability of General Fund Services over the longer term, including those that are expected to reduce running costs, avoid costs that might otherwise arise or are expected to generate a financial return.

Housing Revenue Account

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

- **Investment to improve and maintain council dwellings –** the council has dwellings portfolio valued at some £409m at 31 March 2023, (subject to external audit validation). As a landlord, the council has increasing responsibility to ensure that the dwellings it provides are fit for purpose and maintained to a decent standard.

- **Investment to increase the supply of affordable housing –** The council will be looking to continue its long-term programme to deliver more affordable housing for the borough.

- **Investment to save** - the council will seek to invest in capital projects that support the sustainability of Housing Revenue Account services over the longer term, including those that are expected to reduce running costs, avoid costs that might otherwise arise or are expected to generate a financial return.

10. Sources of Capital Funding

10.1 Central government support for capital investment has reduced significantly over recent years and increasingly are allocated on the basis of bidding processes. The council's own 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 external funding sources, 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 ongoing revenue savings or a contribution to revenue income, whilst ensuring the council does not invest in debt-for-yield schemes.

10.2 The resources to fund the capital programme can come from a variety of sources:

- **Central government** - Grants may be allocated in relation to specific programmes or projects, such as the Disabled Facilities Grant, or policy-driven schemes, such as the Social Housing Decarbonisation Fund.

- **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.

- **Prudential borrowing** - under the Prudential Code the council has discretion to finance the capital programme by undertaking borrowing, 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:

Operational Boundary	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Total	319.630	333.440	327.160

Authorised Limit	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Total	339.630	353.440	347.160

- **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.

- **Right to Buy (RTB) Receipts –** the council is able to retain an element of any RTB receipts from the sale of council dwellings and use them as part-funding of building or acquiring additional social housing.

- **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.

11. Revenue implications of Capital Expenditure

11.1 Whilst capital expenditure is not charged directly to the revenue budget, interest payable on loans and the repayment of debt, known as the Minimum Revenue Provision (MRP), will be charged to revenue. These charges are referred to as financing costs.

11.2 Anticipated ongoing revenue budget implications of capital investment decisions will be documented on the CP1 form used to capture and consider new project proposals and within decision reports. Once investment is agreed, these will also be reflected in the Medium-Term Financial Plan.

11.3 One mechanism to assess the affordability of the capital programme is to compare the council's financing costs to its net revenue income stream. The table below shows the proportion of financing costs to net revenue stream (currently including Council Tax, NNDR and rental income from investment properties and dwellings).

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non- HRA	12.61%	16.74%	42.65%	42.34%	43.91%
HRA	27.20%	23.45%	24.13%	39.45%	45.54%
Total	22.81%	21.47%	29.82%	40.34%	45.03%

11.4 During 2024/25, Officers will be reviewing this indicator to ensure that it provides a true reflection of Council's position and sound basis for year on year comparisons.

11.5 Non-HRA – The Council is currently reviewing how it treats interest incurred on external borrowing that it onward lends to its Local Authority Trading Companies (LATCO's). This potentially reduces the financing costs for non-HRA and therefore the ratio's detailed above would reduce accordingly.

11.6 HRA – the Council is currently reviewing the level of debt that the HRA can repay in future years as part of its review of the HRA longer term investment plans. This could potentially change estimates for 2025/26 and 2026/27.

12. Flexible Use of Capital Receipts (Capital Receipts Strategy)

12.1 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. In December 2017 the Secretary of State announced that this flexibility would be extended for a further three years (until 2021-2022) and in February 2021 the continuation of the capital receipts flexibility programme was confirmed for an additional three years to give local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

12.2 The latest government guidance of the Flexible Use of Capital Receipts was issued in August 2022.

The Guidance

12.3 The Local Government Act 2003 specifies that;

- Local authorities will only be able to use capital receipts from the sale of property, plant and equipment assets received in the years in which the government direction applies.
- Local authorities cannot borrow to finance the revenue costs of the service reforms.
- The expenditure for which the flexibility can be applied (known as 'Qualifying Expenditure') is expenditure on any set up or implementation costs of a project designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or demand for services in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as 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.
- 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.

12.1 To make use of this flexibility, the council is required to prepare a "Flexible Use of Capital Receipts Strategy each year which is approved by Full Council. This Strategy therefore applies to the financial year 2024/25, which commences on 1 April 2024.

Examples of Qualifying Expenditure

12.2 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.

2024/25 Budget Proposals

12.3 The guidance requires that the strategy should specify current and past projects that plan to make use of / have made use of flexible capital receipts and report on the savings/ service impacts and transformation this provided.

12.4 The council has no current or past projects that are proposed to or have made use of flexible capital receipts. If, however, during the year projects are identified that satisfy the definitions above then these will be considered by Cabinet and approval for the use of capital receipts will be requested in line with the Council's Budget and Policy Framework Rules.

Impact on Prudential Indicators

12.5 The guidance requires that the impact on the council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy.

12.6 Given that there are no projects within the 2024/25 budget proposals to make use of flexible capital receipts, there will be no impact from implementing this strategy on the council's Prudential Indicators. If, however, during the year projects are identified that satisfy the definitions above then any impacts on Prudential Indicators will be considered.

13. Identification and appraisal of capital project proposals

13.1 The financial resources available to meet corporate priorities are constrained in the current economic and political climate. There is a requirement for the council to firstly ensure continued funding for existing programmes of work (where these are to continue) and to then prioritise new capital projects that come forward, particularly in the current environment of financial constraints and competing priorities for finite resources. To support prioritisation of capital project proposals, 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.

13.2 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.

13.3 On receipt of a CP1 Form, the initial evaluation process will be conducted by Financial Services. This is normally completed 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.

13.4 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. The estimated project cost will be based on best estimates at the time the budget proposal is made.

13.5 Where projects requiring capital investment have been agreed, it has become increasingly common for project progress to be delayed and cost overruns to occur, or for projects to be paused while alternative ways to secure project viability are explored. Financial estimates for individual projects will be refined during the project timeline based on updated delivery profiles and reported to Elected Members as part of the Budget Monitoring process.

13.6 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.

13.7 In year capital project proposals 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.

14. Capital Programme 2024/25 to 2028/29

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

14.2 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.

TOTAL RESOURCES USED	2023/24 Original Budget (£)	2023/24 Projected Outturn (£)	2024/25 Original Budget (£)	2025/26 Original Budget (£)	2026/27 Original Budget (£)	2027/28 Original Budget (£)
General Fund Capital Expenditure	74,195,860	17,873,450	56,534,780	22,283,190	4,016,530	1,841,820
HRA Capital Expenditure	20,594,560	21,645,940	33,081,160	12,540,270	12,435,410	12,845,080
TOTAL CAPITAL PROGRAMME	**94,790,420**	**39,519,390**	**89,615,940**	**34,823,460**	**16,451,940**	**14,686,900**
FINANCED BY:						
Grants & Contributions	4,771,860	6,341,440	13,090,660	11,019,600	1,019,600	1,019,600
Major Repairs Reserve	5,554,170	4,614,170	5,330,810	5,737,820	5,909,950	5,839,260
Capital Receipts	8,056,260	4,450,110	4,377,910	1,681,740	1,184,050	1,186,390
Specific Reserves	1,892,640	2,415,140	1,673,260	784,540	492,000	672,220
Revenue Contributions	3,809,260	4,670,730	5,330,460	883,880	8,970	0
External Borrowing	66,890,470	16,332,390	59,792,840	14,715,880	7,837,370	5,969,430
Internal Borrowing	3,564,790	300,000	0	0	0	0
Revenue Grants Not Yet Applied	250,970	395,410	20,000	0	0	0
TOTAL RESOURCES USED	**94,790,420**	**39,519,390**	**89,615,940**	**34,823,460**	**16,451,940**	**14,686,900**

15. Governance and monitoring of the capital programme

15.1 The Capital Strategy will be considered annually by the Finance and Audit Committee before being presented for approval by Full Council.

15.2 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.

15.3 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.

15.4 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.

15.5 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.

15.6 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.

15.7 The Capital Strategy and the capital programme is subject to Internal and External Audit review.

16. Understanding and Managing Risk

16.1 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.

16.2 The council has adopted a project management approach and standard business case report template. 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 or Decision Report.

16.3 Each capital investment project is assessed to ensure that the council is aware of any taxation implications the project may present.

16.4 The council is facing diminishing capital resources which means it needs to monitor the 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.

16.5 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.

17. S151 Officer Assurance

17.1 This capital strategy has been prepared in line with the requirements of the 2021 CIPFA Prudential Code and 2021 Treasury Management Code.

17.2 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.