

Committee: **Corporate Overview Scrutiny Committee**

Date of meeting: **3rd March 2020**

Report Subject: **Capital Strategy 2020/2021**

Portfolio Holder: **Cllr N Daniels – Leader / Executive Member
Corporate Services**

Report Submitted by: **Rhian Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	21.1.2020	20.02.20			03.03.20		26.3.2020	

1. **Purpose of the Report**

- 1.1 The purpose of this report is to give members the opportunity to scrutinise the Capital Strategy (attached at Appendix 1) following the annual review to be adopted for the financial year 2020/2021, prior to formal recommendation to Council.

2. **Scope and Background**

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities, revised in 2017, introduced the concept of a Capital Strategy with effect from April 2019. Appendix 1 to this report is the proposed Capital Strategy for this Council.
- 2.2 The Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability. The development of a Capital Strategy allows flexibility to engage with full Council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members.

The Strategy is reviewed and updated annually to ensure that the Council's Corporate Plan priorities continue to be delivered.

3. **Options for Recommendation (Refer to Appendix 4)**

- 3.1 Option 1 (Preferred Option)
Members consider the updated Capital Strategy for the 2020/21 financial year and provide comments and recommend the Strategy for approval to Council.
- 3.2 Option 2)
Members consider the updated Capital Strategy for 2020/2021 financial year and do not recommend it to Council for approval.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The Capital Strategy is linked to the Corporate Plan and Well-being Plan and will inform the way in which long term service objectives are delivered.

4.2 **The capital Strategy is intended to take a long term view which reflects the requirements of the Wellbeing of Future Generations Act.**

5. **Implications Against Each Option**

5.1 **Impact on Budget (short and long term impact)**

5.1.1 The detailed financial implications of the Capital Strategy are contained within the Capital Programme, Treasury Management Strategy and Medium Term Financial Strategy.

5.2 **Risk including Mitigating Actions**

5.2.1 The identification and mitigation of risk is contained within the Capital Strategy document.

5.3 **Legal**

There are a number of statutory requirements relating to capital expenditure, capital financing and treasury management activity that the Council must adhere to.

5.4 **Human Resources**

N/A

6. **Supporting Evidence**

6.1 **Performance Information and Data**

6.1.1 The Performance information is contained within Appendix 1 – Capital Strategy.

6.2 **Expected outcome for the public**

6.2.1 The Capital Strategy will detail the financial implications for the Council in providing capital investment for the communities of Blaenau Gwent.

6.3 **Involvement (consultation, engagement, participation)**

Corporate Leadership Team will consider the long term implications of capital investment and how the governance arrangements in place through full Council, enable decisions to be made by elected members.

6.4 **Thinking for the Long term (forward planning)**

The Capital Strategy summarises the capital expenditure, capital financing and treasury management arrangements of the Authority, for the long term.

6.5 **Preventative focus**

The Capital Strategy will assist in the prevention of projects outside of the Council's service objectives and priorities proceeding.

6.6 **Collaboration / partnership working**

The future development of the Capital Strategy, particularly in relation to commercial investments, will require a collaborative / partnership approach.

6.7 **Integration (across service areas)**

The future development of the Capital Strategy will require an integrated approach across all services.

6.8 **EqlA (screening and identifying if full impact assessment is needed)**

N/A

7. **Monitoring Arrangements**

7.1 The Capital Strategy will be reviewed and updated on an annual basis and reported to full Council.

However, monitoring reports are submitted to Corporate Overview / Joint Budget Scrutiny during the financial year as follows:

- Capital Programme – quarterly
- Treasury Management report – 6 monthly

Background documents /electronic links
corporate plan

Medium Term Financial Strategy

<http://democracy.blaenau-gwent.gov.uk/documents/s4314/CO1912D8%20MTFS%20-%20Report%20Final%20-%20125%20December%202019.pdf?LLL=0>

Treasury Management Strategy

<G:\Corporate Accountancy\New Structure\Capital Strategy\2020-21\Treasury Strategy Statement 2020-Appendix A v8.doc>

Capital Programme

http://democracy.blaenau-gwent.gov.uk/documents/s1538/CO1910D13%20Capital%20Programme%20v11_Final.pdf?LL

*2018/2019 Statement of Accounts
Strategic Asset Management Plan
Constitution
Local Well-being Plan 2018-2023*