

BUDGET & PERFORMANCE PANEL

Investing in the Future: Capital Investment Strategy Tuesday 14 December 2021

Report of Director of Corporate Services

PURPOSE OF REPORT

To set out the Council's proposed Capital Investment Strategy, for consideration by Budget & Performance Panel and referral of any comments to Cabinet for development of a further version to be considered by Council.

This report is public.

RECOMMENDATIONS

- (1) That Budget & Performance Panel consider the proposed Capital Investment Strategy, and refer any comments to Cabinet for development of a further version to be considered by Council.**
- 1.0 Report**
- 1.1 Cabinet considered the Investing in the Future Capital Investment Strategy at its meeting of 7 December 2021.
- 1.2 The Council's Constitution (Part 3 Section 5 – Budget & Policy Framework) requires that when a new or existing strategy is being considered, the Overview and Scrutiny Committee or Budget and Performance Panel have an opportunity to comment. If it considers it appropriate, Cabinet may then amend its proposals before submitting them to Council for consideration.
- 1.3 Budget & Performance Panel is asked to comment on the proposed strategy, and refer these comments for Cabinet to amend the strategy before submitting it to Council for consideration.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

The content of this report has no direct impact in itself.

LEGAL IMPLICATIONS

The Council has the legal power to acquire, use and dispose of land principally under the Local Government Act 1972 and other Acts which give the Council powers to acquire land for a particular purpose. In accordance with section 120(1), Local

Government Act 1972, the Council has the power to acquire any land where it is for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area.

If the Council decides to dispose of land, there is a legal requirement to obtain best value (with very limited exceptions).

Depending on the nature of the particular type of property concerned, there may be other statutory requirements or procedures to be undertaken before any acquisition, appropriation or disposal of land.

FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report. However, the proposed levels and areas of capital investments will require borrowing and other associated costs. Financial due diligence and assessment will ensure that all the appropriate costs are considered for each proposal.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No direct implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to the writing of this report and appendices but would make the following observations:

Capital Strategy

The Prudential Code 2017 requires all Council's to adopt an annual Capital Strategy. The strategy should be an over-arching corporate document which deals with the key areas of strategic context, corporate priorities, capital investment ambition, capacity to deliver, risk appetite, risk management and determining an appropriate split between non-financial and treasury management investments in the context of ensuring the long-term financial sustainability of the authority.

It is envisaged that this Strategy will be supplemented with all the information mandated under the Prudential Code following finalisation of the capital programme, and subject to the required governance processes be presented to Full Council 23rd February 2022 for formal adoption.

Local Authority Trading Company (LATCo)

The Council has recently established a LATCo, which as a separate legal entity, is afforded a number of strategic freedoms and options not currently available to the Council. The activities of the LATCo will not form part of the Council's Capital Programme but should clearly support its priorities.

Dependent on the nature of its activities, the LATCo may need to explore alternative financing arrangements to enable delivery. Decisions regarding the activities of the LATCo, including financing arrangements, would require consideration by its Directors, the Shareholder Committee. Financing arrangements would require

appropriate business cases and supporting due diligence by any proposed lender.

MONITORING OFFICER'S COMMENTS

Capital and Investment Strategies form part of the Budget Framework and their adoption is a function of Full Council.

BACKGROUND PAPERS

Appendix A: Investing in the Future Capital Investment Strategy
Appendix B: Capital Assurance Group (CAG) Terms of Reference

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