

**To:** Cabinet  
**Date:** 10 February 2021  
**Report of:** Head of Financial Services  
**Title of Report:** Capital Strategy 2021/22 – 2024/25

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To present the Capital Strategy for approval.
<b>Key decision:</b>	No
<b>Cabinet Member:</b>	Councillor Ed Turner
<b>Corporate Priority:</b>	All.
<b>Policy Framework:</b>	Council Strategy 2020-2024
<b>Recommendation:</b> That Cabinet resolves to:	
<b>Recommend that Council approves:</b>	
1. The Capital Strategy attached at Appendix A	

<b>Appendices</b>	
Appendix A	Capital Strategy 2021/22 – 2024/25

## **Introduction and background**

1. Paragraph 18.11 of the Council’s Constitution requires that a Capital Strategy is prepared which includes:
  - a. The principles the Council will follow in its capital planning and management;
  - b. The methodology for inclusion of schemes within the Capital Programme; and
  - c. The arrangements for the effective management of capital schemes.
2. The CIPFA 2017 Prudential Code introduced a requirement that Councils prepare and approve a Capital Strategy. This requirement includes consideration of non Treasury investments such as Investment Properties and loans to other organisations.

3. There is a link between the Capital Strategy and the Treasury Strategy through cashflow implications and borrowing strategies. To aid clarity the Treasury Strategy includes all Treasury implications including the Minimum Revenue Provision policy and the Capital Strategy is restricted to non-Treasury Management matters where possible, although will refer to the Treasury Management Strategy when appropriate.
4. The Council continues to have a significant capital investment programme and has adopted a methodology for identifying, selecting and monitoring capital projects. The Council believes that capital programme delivery is essential to support the services that the Council provides to its customers.
5. The Council's updated Capital Strategy, which is attached at Appendix A, sets out the approval process for schemes getting into the Programme as well as the governance arrangements in place to manage delivery. The processes (as detailed in the Strategy) set out a clear path for approving a scheme for inclusion in the capital programme. Its aim is to ensure greater clarity about schemes in the programme and strong monitoring, in order to improve delivery and assist in prioritisation.
6. The Strategy also sets out the various funding sources available for capital projects and how these might change over time. It also aims to set out the issues the Council needs to consider over the medium to long term.

### **Financial implications**

7. The Capital Strategy provides a rationale for evaluating, managing and monitoring the Council's Capital Programme in order to secure delivery of the Programme and its objectives in the most cost effective manner.
8. The Head of Financial Service in his capacity as Chief Finance Officer believes that the Capital Strategy is deliverable and affordable within the parameters of the section 25 report on the robustness of the Council's budget and bears acceptable risks within that context.

### **Legal issues**

9. There are no legal implications directly arising from this report.

### **Level of risk**

10. There are not risks directly arising from this report. Risks to delivery of individual projects are identified and monitored as part of the capital scheme approval and monitoring process.

### **Equalities impact**

11. The procurement of capital works will be undertaken in line with the Council's policies to support the payment of a living wage and making apprenticeship and training opportunities available to local people. Many of the facilities funded out of the Capital Programme – such as community centres and social housing – will facilitate the narrowing of inequality in Oxford. There is no requirement to provide an Equalities Impact Assessment for this report.

<b>Report author</b>	Bill Lewis
Job title	Financial Accounting Manager
Service area or department	Financial Services
Telephone	01865 252607
e-mail	<a href="mailto:blewis@oxford.gov.uk">blewis@oxford.gov.uk</a>

**Background Papers:** None

This page is intentionally left blank