

To: Cabinet
Date: 7 February 2024
Report of: Head of Financial Services
Title of Report: Capital Strategy 2024/25 – 2027/28

Summary and recommendations	
Purpose of report:	To present the Capital Strategy 2024/25 to 2027/28 for approval
Key decision:	No
Executive Board Member:	Councillor Ed Turner, Deputy Leader (Statutory) – Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendations: That Cabinet resolves to:	
1. Recommend to Council the approval of the Capital Strategy 2024/25 – 2027/28 attached at Appendix A.	

Appendices	
Appendix A	Capital Strategy 2024/25 – 2027/28

Introduction and background

1. Paragraph 18.11 of the Council’s Constitution requires that a Capital Strategy is prepared and reviewed by Cabinet annually 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.

The details of capital schemes to be undertaken over the following four financial years are contained in the budget report and financing of these is detailed in the Treasury Management Strategy which are both considered elsewhere on this agenda.

2. The CIPFA 2021 Prudential Code includes 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 and the Medium Term Financial Strategy in respect of the approval of the capital programme. 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 but must be affordable within the context of overall Council finances.
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 types of 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.
7. The Capital Strategy at Appendix A includes some changes to bring figures and references up to date and some minor changes to ease understanding. Otherwise the strategy is fundamentally unchanged from last year.

Financial implications

8. 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.
9. 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

10. Local authorities have powers to invest under section 12 Local Government Act 2003 and s.1 Localism Act 2011
11. Local authorities also have Powers to acquire, sell, appropriate and develop land under various legislation including section 120-123 Local Government Act 2003 section 277 and section 233 Town and Country Planning Act 1990.

Level of risk

12. There are no 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

13. 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. The Equality Act 2010 Section 149 places a duty on public authorities to have due regard to equality impact and equality of opportunity considerations. No adverse impacts on any part of the community have been identified at this stage in relation to the capital strategy, however Oxford City Council will continue to consult with appropriate council officers to ensure all projects have due regard to the public sector equality duty.

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Background Papers:

The Treasury Management Strategy

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