

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE COUNCIL

20 February 2019

1. CAPITAL STRATEGY 2019/29

Submitted by: Executive Director – Resources and Support Services

Portfolio: Finance and Efficiency

Ward(s) affected: All Indirectly

Purpose of the Report

To approve the Capital Strategy for 2019/29.

Recommendations

(a) That the Capital Strategy Report for 2019/29 be approved.

Reasons

The Council needs to have an approved Capital Strategy for 2019/29 in place before the start of the 2019/29 financial year.

1. Background

1.1 The purpose of the Capital Strategy is to set out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget. It will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.

2. Issues

2.1 The Capital Strategy for 2019/29 is attached at Appendix 1.

2.2 This Capital Strategy is a new strategy for 2019/29, meeting the requirements of statutory guidance issued by the government in January 2018

2.3 The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.

2.4 This Strategy is part of several strategies including the Council's Investment Strategy and Treasury Management Strategy.

3. Legal and Statutory Implications

3.1 See Background for details.

4. **Financial and Resource Implications**

4.1 There are no specific financial implications arising from the strategy report.

5. **Major Risks**

5.1 Capital projects are a major area of risk for the Council in that large amounts of money can be involved.

5.2 The overriding consideration is to safeguard the Council's capital. Within this constraint the aim is to maximise any return.

5.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

6. **List of Appendices**

6.1 Appendix 1, Capital Strategy Report 2019/29.

7. **Background Papers**

- Council's Treasury Management Strategy 2019/20;
- Council's Investment Strategy 2019/20;
- Local Government Act 2003; and
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.