

Cherwell District Council

Budget Planning Committee

17 January 2023

Capital and Investment Strategy 2023-24

Report of the Assistant Director of Finance (Section 151 Officer)

This report is public

Purpose of report

To consider the draft Capital and Investment Strategy for 2023-24.

1.0 Recommendations

The meeting is recommended:

- 1.1 To recommend the draft strategy for 2023-24 to Executive.

2.0 Introduction

- 2.1 The Capital and Investment Strategy was introduced for 2019-20, to sit alongside the Treasury Management Strategy. The Capital and Investment Strategy must be approved by Full Council annually and must satisfy the requirements of government legislation and CIPFA guidance.

3.0 Report Details

- 3.1 The **Capital Strategy** demonstrates how the council takes capital expenditure decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 3.2 The **Investment Strategy** relates only to non-treasury management investments. The purpose of the strategy is to demonstrate how the council:
 - Makes investment decisions (governance, advice taken etc)
 - Demonstrates investments are tied to corporate objectives
 - Assesses and monitors risk
 - Assesses and monitors return
 - Ensures there is appropriate capacity, skills and culture to support its strategy

Investments which are covered by this strategy include such things as:

- Loans to third parties (e.g. subsidiaries, charities, businesses) [Service loans]
- Purchase of shares (in subsidiaries, businesses etc)
- Property

4.0 Conclusion and Reasons for Recommendations

4.1 The Council has to establish and approve an updated Capital and Investment Strategy that complies with CIPFA's revised Prudential Code for Capital Finance in Local Authorities (2021 edition) and Prudential Code Guidance Notes for Practitioners (2021 edition), CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition) and revised Statutory Guidance on Local Government Investments (Third Edition). Guidance requires the Strategy to be approved by Full Council on an annual basis and, moreover, that any mid-year material changes to the Strategy must also be subject to Full Council approval.

5.0 Consultation

5.1 None

6.0 Alternative Options and Reasons for Rejection

6.1 There are no alternative options – this is a requirement placed upon all local authorities.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from any outcome of this report. The financial implications are incorporated into the draft budget 2023-24 and MTFS 2023-24 to 2027-28. Presentation of this report is in line with the CIPFA Code of Practice and Prudential Code.

Comments checked by:

Joanne Kaye, Strategic Finance Business Partner (D151)

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Legal Implications

7.2 The Local Authorities (Capital Finance and Accounting) Regulations 2003 provides operational detail and specifically states that Authorities must have regard to CIPFA's Prudential Code when setting and reviewing borrowing limits. Local Authorities must also have regard to the Investment Guidance issued by Secretary of State under section 15(1)(a) of the Local Government Act 2003.

Comments checked by:

Shiraz Sheikh, Assistant Director of Law & Governance (Monitoring Officer)

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Risk Management Implications

- 7.3 There are no risk management implications arising directly from any outcome of this report. The Capital and Investment strategy demonstrates how the council manages capital and investment risk. Risks are escalated as and when necessary to the leadership risk register.

Comments checked by:

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8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

Links to all areas of Corporate Plan

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Capital and Investment Strategy 2023-24

Background papers

None

Report Author and contact details

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