

SSDC Capital Strategy 2019/20

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Purpose of the Report

1. The purpose of the report is to inform Members of the recommended capital strategy for 2019/20. The capital strategy is an annual report which must be approved by Full Council before the start of the financial year in line with the revised CIPFA Prudential Code.

Recommendation

2. The Executive are asked to review and recommend the capital strategy and the borrowing and investment limits for approval to Council.

Introduction

3. The capital strategy is a new report for 2019/20, which is a mandatory requirement of the revised CIPFA Prudential Code (revised December 2017).
4. The revised code states that the council will ensure that *'all investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.'*

Background

5. The capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.
6. It also includes an overview of how the associated risk is managed, the implications for future financial sustainability and information on how stewardship, value for money, prudence, sustainability and affordability will be secured.
7. The strategy sets out the long-term context in which both capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

Financial Implications

8. The proposed capital strategy aligns with the 2019/20 Capital Programme and the updated Medium Term Financial Plan, those reports seek to establish approval of spending and funding requirements to meet the Council's priorities. This report establishes the borrowing and investment limits that are considered to prudent and affordable in meeting those plans.

Background Papers: CIPFA Prudential Code (revised December 2018)
Treasury Management Strategy Statement 2019/20
Statutory guidance on Local Government Investments (revised February 2018)