

**Decision Report - Executive Decision**

Forward Plan Reference: FP/23/04/05

Decision Date – 20/02/2024

Key Decision – Yes



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**Capital Strategy 2024/25 to 2026/27**

Executive Member(s): Councillor Liz Leyshon – Deputy Leader and Lead for Member for Resources and Performance

Local Member(s) and Division: All

Lead Officer: Jason Vaughan – Executive Director Resources and Corporate Services (Section 151 Officer)

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**Summary**

1. This document sets out the proposed Capital Strategy for Somerset Council for the three-year period between 1 April 2024 and 31 March 2027.
2. CIPFA's Prudential Code for Capital Finance (2021) includes the requirement for local authorities to put in place a Capital Strategy which:
  - explains how proposed capital expenditure contributes to Council objectives and supports delivery of essential services,
  - sets out the funding strategies for new items of capital investment identified, and
  - provides an overview of how the risks associated with capital investment are being identified and addressed.
2. This report is designed to meet those requirements and summarises the Council's capital investment priorities and funding plans over the next three years, taking account of financial stewardship, value for money, prudence, sustainability and affordability.
3. Incorporated into this strategy is the Council's Minimum Revenue Provision (MRP) Policy for 2024/25 to be approved. The MRP Policy is an annual amount set aside from the General Fund to meet the cost of capital expenditure that has not been financed from available resources. The Policy outlines an approach for 2024/25 and is subject to

work being undertaken to establish more accurate records from the abolished authorities over the next 12 months. Once undertaken, the MRP policy for 2024/25 will be reviewed where necessary in order to move to a consistent MRP policy across the whole Council and one which fully complies with the Statutory MRP Guidance.

## **Recommendations**

4. That Full Council approves:
  - a) The Capital Strategy including the key prudential indicators for 2024/25
  - b) The Flexible Use of Capital Receipts Policy for 2024/25
  - c) The Minimum Revenue Provision (MRP) Policy for 2024/25

## **Reasons for recommendations**

5. The Capital Strategy is a key element of the Council's Budget Framework which must be considered and approved by Full Council prior to the start of each new financial year.

## **Other options considered**

6. Developing a fit-for-purpose Capital Strategy and ensuring that all proposed capital investment can be properly funded is a regulatory requirement.

## **Links to Council Plan and Medium-Term Financial Plan**

7. This Capital Strategy sits alongside the Medium-Term Financial Strategy and the 2023-2027 Council Plan. The contents of the Capital Strategy are consistent with other Budget reports, namely the Revenue and Capital Budgets for 2024/25 and the Treasury Management Strategy for 2024/25.

## **Financial and Risk Implications**

8. The proposed capital strategy aligns with the 2024/25 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.
9. Three key risks have been identified as:
  - resources will not be allocated to the capital projects most closely aligned to Council priorities or judged to be most necessary to address identified operational risk,

- ineffective project monitoring means that major capital projects will not be delivered within budget, or to the timescales agreed, and
- expected capital funding does not materialise.

10. Each of these risks is considered in turn below.

*Allocating Resources to Capital Projects - The Capital Appraisal Process*

11. Capital investment decisions are now required to be underpinned by a robust business plan that sets out the full costs and risks and any expected financial return alongside the broader outcomes including economic and social benefits.
12. General Fund service managers bid annually to include projects in the Council's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully financed). The bids are then appraised against a set criterion including a comparison of service priorities against the affordability of expected financing costs.

*Project Monitoring*

13. Capital monitoring is reported quarterly by the S151 Officer and Deputy S151 Officer to the Executive. Any matters of concern are specifically brought to the attention of the relevant Executive portfolio holder.
14. Each scheme has a nominated budget holder who is responsible for ensuring the scheme stays within budget, and for providing information on spend to date and projected total spend over each financial year and over the life of the project.
15. Re-profiling of capital projects and related funding takes place when necessary and is reported to members via in-year budget reports.

*Capital funding*

16. Capital grant claims are completed in accordance with grant terms and conditions to ensure all eligible funding is accessed and maximized. Grant claims income is monitored to ensure that:
- conditions stipulated in funding agreements are complied with (so no claw back situations arise), and that,
  - payments in account are received as anticipated.
17. Capital receipts are analysed monthly to ensure that all expected receipts have been banked and that funding has been allocated to projects correctly.

18. Operational cash flow management ensures that there is sufficient cash available to meet contractual liabilities as they arise, and that new borrowing is taken out only when necessary and in accordance with Treasury Management Strategies approved by Full Council in February each year.

### **Legal Implications**

19. The Council's annual Budget setting processes must operate within specified legal and regulatory parameters. The Capital Strategy is designed to support those processes and to ensure that the Budget Framework approved by members for 2024/25 is and represents a "balanced budget" in line with the requirements of the Local Government Finance Act 1992.

### **HR Implications**

20. There are no HR implications.

### **Equalities Implications**

21. There are no equalities implications directly associated with this report. Equality Impact Assessments (EIAs) will be carried out on individual capital projects at these progress towards the delivery stage.

### **Community Safety Implications**

22. There are no community safety implications.

### **Climate Change and Sustainability Implications**

23. There are no climate change or sustainability implications directly associated with this report, however some of the detailed budget proposals included in Appendix A and Appendix B are designed to meet the Council's statutory responsibilities, and its own objectives, with regard to climate change and sustainability.

### **Health and Safety Implications**

24. There are no health and safety implications directly associated with this report although some of the individual capital projects referred to will be undertaken in order to meet the Council's existing Health and Safety responsibilities or to address areas where a specific Health and Safety risk has been identified.

## **Health and Wellbeing Implications**

25. There are no health and wellbeing implications directly associated with this report although some of the capital projects referred to have Health and Wellbeing objectives, especially those projects related to Leisure Services, Town Centre regeneration and social housing.

## **Social Value**

26. Not directly applicable to this report. The social value of individual capital investment projects is assessed at the appraisal stage.

## **Scrutiny recommendations**

27. The Audit Committee is responsible for reviewing the Capital Strategy prior to its approval by elected members. This review took place on 25 January 2024 and suggested amendments have been made to this paper.

## **Background and Introduction**

28. CIPFA's Prudential Code for Capital Finance (2021) includes the requirement for local authorities to put in place a Capital Strategy which:
- explains how proposed capital expenditure contributes to Council objectives and supports delivery of essential services,
  - sets out the funding strategies for new items of capital investment identified, and
  - provides an overview of how the risks associated with capital investment are being identified and addressed.
29. This Capital Strategy is a key element of the Council's Budget Framework and supports both Revenue and Capital budgets for 2024-25.

## **Report**

### **Proposed Capital Programme**

30. The proposed Capital Programme for the General Fund (GF) is shown below in summary with more detail provided in Appendix A. Approval of the capital programme is a separate report on this agenda.

Table 1 – General Fund Capital Programme 2024/25 to 2026/27

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Total All Years £m
Adults Services	2.512	1.368	0	3.880
Childrens Services	21.712	8.241	5.810	35.763
Community Services	1.538	0.221	0	1.759
Climate and Place	91.402	62.510	25.311	179.223
Resources and Corporate Services	14.659	2.899	0.065	17.623
Strategy and Workforce	0.135	0.136	0	0.271
<b>Total Programme</b>	<b>131.958</b>	<b>75.375</b>	<b>31.186</b>	<b>238.519</b>

31. Capital investment programmes for the Council’s social housing function are developed on a longer-term basis culminating in a 30-year Business Plan. This Plan is based on:
- expected future rental income and anticipated Right to Buy Sales,
  - expected need for social housing,
  - stock condition surveys, and
  - government guidelines on the quality of social housing, see [www.gov.uk/government/collections/social-housing-quality](http://www.gov.uk/government/collections/social-housing-quality) for further details.
32. The Council is required to maintain a separate Housing Revenue Account (HRA) which is ring-fenced to ensure that the social housing function neither subsidises, nor is subsidised by, local taxpayers. Somerset Council acts as Landlord to the tenants of properties in Somerset West and Taunton, whereas the properties in Sedgemoor are managed through an ALMO (Arms-Length Management Organisation).
33. Table 2 below summarises the proposed Capital Programme for the HRA. Further detail is provided in Appendix B.

Table 2 – HRA capital programme 2024/25 to 2026/27

	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m
Major Works	22.85	20.29	19.15	62.28
Fire Safety	2.59	1.51	0.51	4.60
Related Assets	0.40	0.40	0.58	1.38
Exceptional & Extensive	1.54	1.57	1.17	4.28
Vehicles	0.28	0.29	0.29	0.86
ICT & Transformation	-	-	-	-
Aids & Adaptations & DFGs	0.37	0.37	0.37	1.11
<b>Major Works &amp; Improvements</b>	<b>28.02</b>	<b>24.42</b>	<b>22.06</b>	<b>74.51</b>
Social Housing Development	22.03	19.46	13.51	54.99
<b>Total HRA Capital Expenditure</b>	<b>50.05</b>	<b>43.88</b>	<b>35.57</b>	<b>129.50</b>

34. Therefore, in the three-year period between 1 April 2024 and 31 March 2027, total approved capital expenditure is £238.5m for the General Fund and £129.5m for the HRA, a combined total of £368m.
35. Within these overall budgets, reprofiling of expenditure between financial years is expected to be an ongoing process which is necessary to reflect:
- any identified slippage
  - additional grant funding or other changes to available financial resources.
  - new or emerging operational risks.
36. All significant changes will be identified and reported to members as part of the Council’s in-year budget monitoring.
37. Capital budgets for 2023/24 were primarily a compilation of anticipated spending plans and existing contractual commitments already put in place by the previous five authorities together with new schemes approved in February 2023. Those spending plans have now been revisited with the objective of:
- reducing pressure on General Fund revenue budgets by minimizing debt charges and maximizing asset use, and
  - reprofiling capital investment into future years where appropriate.
38. On this basis, new programme approvals have been restricted to which are either Health and Safety related, represent legal requirements, demonstrate a clear link to Council priorities, Invest to Save or can be externally funded.

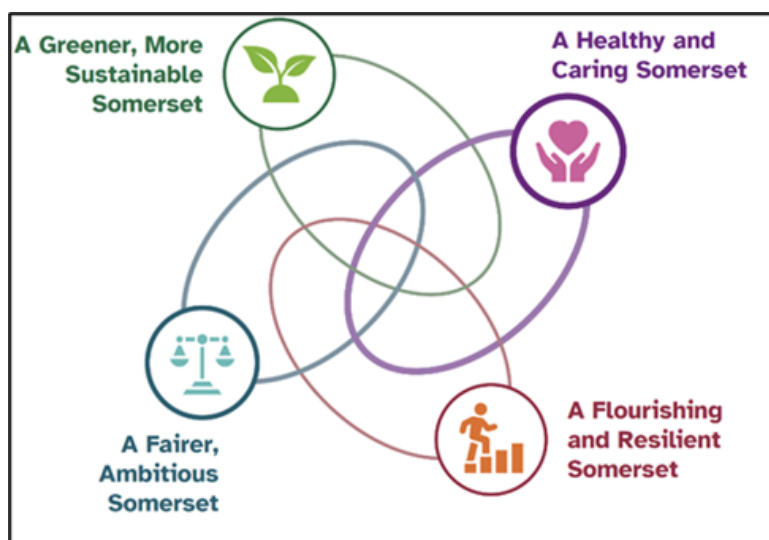
39. Table 3 below compares the Council’s proposed capital investment plans for 2024/25 - 2026/27 against the 2023/24-2025/26 plans approved by the vesting authority in March 2023. This shows a net reduction in total spending of £82.5m.

Table 3 – Current and previous capital investment plans

	General Fund £m	HRA £m	Total £m
2023/24 to 2025/26 capital expenditure approved in March 2023	332.2	118.3	450.5
2024/25 to 2026/27 capital expenditure proposals - March 2024	238.5	129.5	368.0
<b>Net (increase)/reduction</b>	<b>93.7</b>	<b>(11.2)</b>	<b>82.5</b>

### Capital Investment Plans and Council Priorities

40. This Capital Strategy sits alongside the Medium-Term Financial Strategy and the 2023-2027 Council Plan. The Council Plan sets out the agreed vision for the new Council and its priorities over the next four years, which are set out below. Further information about the Council Plan can be accessed via [www.somerset.gov.uk/council-and-democracy/somerset-council-council-plan-2023-2027](http://www.somerset.gov.uk/council-and-democracy/somerset-council-council-plan-2023-2027).



41. Table 4 below sets out the major capital projects which contribute to these four priorities. These projects represent over 90% of proposed capital spending. Other projects mainly relate to:

- the maintenance of Council property, vehicles and equipment, (£18m, see paragraph 62 below), or to
- expenditure which is necessary to meet Health and Safety or other legal requirements.



Table 4 – Major Capital Projects 2024/25 to 2026/27

<b>Council Priorities</b>	<b>Investment 2024/25 to 2026/27 £m</b>
<b>A greener, more sustainable Somerset</b>	
Transport is a key contributor to the Council’s carbon footprint. This work includes improvements to the local roads and highways network, developing alternatives to car travel and encouraging the use of clean energy.	121
<b>A Healthy and Caring Somerset</b>	
Good housing is key to good health, and the Council will contribute to this objective by building new social housing for local people as well as maintaining and improving its own housing stock.	129
<b>A Fairer, Ambitious Somerset</b>	
The Council wants all local children to get an excellent education which will help them to achieve their goals in life. It continues to invest in schools’ facilities for all age groups and abilities.	33
<b>A flourishing and resilient Somerset</b>	
The Council is working to maintain a stable and flourishing local economy in Somerset, focusing in this financial period on the communities of Bridgwater and Glastonbury in particular.	52
<b>Total</b>	<b>335</b>

42. Further information on major capital schemes is provided in Appendix C.

### **Capital funding strategies**

43. Capital expenditure represents the acquisition of assets with an expected useful life of more 12 months. Funding is available as follows:

- capital grants from Government departments together with a limited amount of third-part funding, eg from developers in the form of section 106 contributions.
- disposal proceeds from the sale of existing property and other assets,
- contributions from revenue budgets
- use of available cash resources not required for day-to-day service delivery, and
- external borrowing.

44. More detail on these various sources of funding is provided in Appendix D.
45. Due to the long-term nature of capital investment, the revenue implications of decisions taken by the Council now will extend into future years the Section 151 Officer must be satisfied that any new capital investment plans are prudent, affordable and sustainable. In practice this means that:
- the Council's usual approach is only to approve the use of external borrowing when the proposed item of expenditure is a necessity, but no alternative source of financing can be identified,
  - only schemes that have fully identified funding in place are included in the proposed capital programme, and
  - the cost impact of borrowing forms part of the 2024/25 revenue budget medium term financial planning.
46. The main source of funding for the GF capital programme are government grant receipts, which accounts for 81% of forecast expenditure. The only other significant funding source is borrowing, which accounts for 19%. Principal sources of financing for the HRA Capital Programme are prudential borrowing (28%) and the Major Repairs Reserve (53%).
47. The 2024/25 Budget Update Report which is due to be presented to the Executive in February 2024 identifies the potential need for a Capitalisation Directive of £36.7m to bridge the shortfalls identified in revenue budgets for 2024/25. The same report has also identified further budget shortfalls of £67.3m and £43.9m for the following two years respectively. If approved, some of this capitalised expenditure can be financed from asset disposals but the remainder would need to be financed from borrowing.

### **Flexible use of Capital Receipts**

48. Central Government outlined in December 2015 that local authorities would be able under certain circumstances to utilise capital receipts for revenue expenditure in certain circumstances. The criteria for the application of capital receipts for revenue spend has gradually changed over time. The current rules that were introduced in 2021 outline that:
- Only receipts received within the timescales that authorities have a Flexible Receipts Strategy can be used;
  - Only receipts from PPE (Property, Plant, and Equipment) can be used where the authority ceases to have an interest in the asset;
  - The authority must be able to demonstrate that ongoing savings are a result of the application of receipts; and

- Discretionary redundancy payments cannot be funded from capital receipts, but statutory redundancy and pension strain payments are allowable.

49. Table 5 below summarises the expected capital funding position for 2024/25 to 2026/27.

Table 5 – Net funding position 2024/25 to 2026/27

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
General Fund	131.958	75.375	31.186
HRA	50.051	43.880	35.570
	<b>182.009</b>	<b>119.255</b>	<b>66.756</b>
<b>Funding</b>			
<b>General Fund</b>			
Capital Grants	(93.764)	(66.266)	(25.311)
Capital Receipts	(0.017)	0.000	0.000
Contributions	(6.950)	(1.030)	0.000
Reserves	(0.773)	0.000	0.000
Direct revenue financing	0.000	0.000	0.000
<b>HRA</b>			
Major Repairs Reserve	(18.283)	(17.691)	(19.145)
Capital Receipts	(4.549)	(5.584)	(3.080)
Capital Grants	(12.317)	(1.100)	(0.396)
<b>Funding for capital programme</b>	<b>(136.653)</b>	<b>(91.671)</b>	<b>(47.932)</b>
<b>Financing need for capital programme</b>	<b>45.356</b>	<b>27.584</b>	<b>18.824</b>
<b>Capitalisation Direction</b>			
Capitalised expenditure	36.700	67.200	43.900
Funding from Capital Receipts	(36.700)	(60.000)	(50.853)
<b>Financing need for CD</b>	<b>0.000</b>	<b>7.200</b>	<b>(6.953)</b>
<b>Net Financing need for the year</b>	<b>45.356</b>	<b>34.784</b>	<b>11.871</b>

50. As shown by Table 6 below, the total new borrowing requirement over the three-year period from 1 April 2024 to 31 March 2027 is therefore currently estimated at £92.01m. The Council's overall borrowing is expected to increase from £733.215m at 1 April 2024 to £820.214m at 31 March 2027, after allowing for the repayment of PFI liabilities during this three-year period.

Tables 6 – Impact of new Borrowing 2024/25 to 2026/27

New Borrowing Requirement 2024/25 to 2026/27

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Total £m
General Fund	30.454	8.079	5.875	44.408
HRA	14.902	19.505	12.949	47.356
Capitalisation Direction	0.000	7.200	(6.953)	0.247
<b>Total</b>	<b>45.356</b>	<b>34.784</b>	<b>11.871</b>	<b>92.011</b>

Overall Borrowing Projection 2024/25 to 2026/27

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Short-term borrowing	138.000	138.000	138.000
Long-term borrowing	604.556	639.340	651.211
PFI liability	34.539	32.876	31.004
<b>Total borrowing at 31 March</b>	<b>777.095</b>	<b>810.216</b>	<b>820.214</b>

### Revenue Implications of Capital Investment

51. As well as overall changes to borrowing levels, the Council must also take into consideration the ongoing revenue implications of capital investment plans in terms of:

- anticipated savings
- income generation potential
- future utility charges and repair and maintenance costs
- future debt costs.

52. Debt costs comprise two major elements:

- interest charges and debt management costs associated with external borrowing, and
- Minimum Revenue Provision (MRP) set aside, which is applied by law to some aspects of General Fund capital expenditure. The Council’s amended MRP policy is shown in appendix E.

53. Both are fully incorporated into the revenue budget setting process to ensure prudence and affordability. They are also reflected in prudential indicators calculated and reported

as part of the Council's approved Treasury Management Strategy and in-year Treasury Management reports.

54. As part of its budget setting processes each year, the Council is required to produce and publish its current policy on calculating MRP. Appendix E sets out the Council's amended Policy for 2023/24, which it intends to apply again in 2024/25. The Section 151 Officer is satisfied that this represents a prudent approach in line with current guidance but acknowledges that further work is needed to update and improve the quality of asset records inherited from the previous authorities.
55. DLUHC is currently consulting on proposed changes to the MRP mechanism and the underlying requirements for the calculation each year. The Council's current Policy does not anticipate these changes but officers intend to review and update the Policy set out in Appendix E as soon as new guidance has been finalised and published.
56. The revenue impact of the forecast new borrowing requirement of £92.01m is shown in Table 7 below. Taking a prudent approach, these estimates assume that any new prudential borrowing would be external.

*Table 7 – Revenue Impact of new Prudential Borrowing*

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Total Estimate £m
<b>Capital programme</b>				
Prudential borrowing required	45.356	27.584	18.824	91.764
MRP	0.000	1.548	2.039	3.587
Interest	1.021	2.662	3.706	7.388
<b>Total annual revenue impact</b>	<b>1.021</b>	<b>4.210</b>	<b>5.744</b>	<b>10.975</b>
<b>Capitalisation Direction</b>				
Prudential borrowing required	0.000	7.200	(6.953)	0.247
MRP	0.000	0.000	0.247	0.247
Interest	0.000	0.162	0.168	0.330
<b>Total annual revenue impact</b>	<b>0.000</b>	<b>0.162</b>	<b>0.414</b>	<b>0.576</b>
Total prudential borrowing required	45.356	34.784	11.871	92.011
<b>Total annual revenue impact</b>	<b>1.021</b>	<b>4.372</b>	<b>6.159</b>	<b>11.551</b>

57. This additional revenue budget required has been incorporated into the Medium-Term Financial Strategy and 2024/25 Revenue Budgets.

## **PFI and Leasing**

58. The former County Council made limited use of Private Finance Initiative schemes (PFI) and leasing arrangements as a means of funding capital investment, primarily through the Building Schools for the Future (BSF) initiative which commenced in 2011/12. The Council will continue to consider similar funding opportunities as and when they arise but is not actively pursuing this option for any new projects at the current time.

## **Commercial Activity**

59. The Council currently holds a portfolio of commercial properties, together with some equity-based investments in limited companies. Work done during the current financial year and already reported to members has identified that these investment holdings no longer meet financial, strategic or operational objectives for the new Council. Plans to dispose of these assets either have been, or are being, put in place.
60. No new plans to invest in non-Treasury investments are being brought forward as the Council considers that its current priority should be to focus capital investment on the provision of services for local people. Moreover, borrowing to invest purely for commercial income gain is now strongly discouraged by Treasury, to the point the PWLB is explicit in not being used for this sole purpose. Amendments to the Prudential Code in 2021, also tightened regulatory controls on this type of activity.
61. On this basis a strategy for the acquisition and management of non-Treasury investments is not considered necessary and has not been presented to members as part of the 2024/25 Budget framework. Arrangements for the orderly disposal of existing non-Treasury investments will be subject to member approval on an individual basis as and when developments occur.

## **Asset Management**

62. Capital budgets have been put in place to maintain those assets which support delivery of Council services, as shown by Table 8 below:

Table 8 – Asset Management budgets 2024/25 to 2026/27

Key risk area	2024/25 to 2026/27 £m
<b>Council property (non-schools)</b>	
This budget has been established to ensure buildings are safe and functional and remain operational, focusing on urgent and essential works. Condition surveys have been undertaken to inform the proposed programme of works.	14
<b>Fleet Management</b>	
The Council has a fleet of over 750 vehicles. Projects are under way to review and rationalize fleet operations including procurement and management, decarbonization and vehicle utilization. This budget is for a new Fleet Management System with improved telematics and vehicle tracking, to improve security and promote driver safety and fuel efficiency by providing better access to usage data	1
<b>Corporate ICT</b>	
Budget established to: <ul style="list-style-type: none"> <li>• Maintain and replace ICT components as necessary to maintain current service levels and to avoid any risks or failures that could compromise business continuity and data security.</li> <li>• Support the Council’s hybrid work style.</li> <li>• Consolidate ICT systems inherited from the five previous organizations into a more cohesive, cost effective and resilient infrastructure.</li> </ul>	3
<b>Total</b>	<b>£18m</b>

63. Somerset Council is committed to proactive asset management and is developing strategies to dispose of individual assets and sub-portfolios on an ongoing basis. These strategies will be presented to elected members for approval in line with the council's Scheme of Delegation and Asset Disposal Policy, and will be underpinned by work that is already ongoing to review and rationalize asset use, and to maximise income from capital receipts following the disposal of surplus assets.

### **Delivering this Strategy**

64. The Capital Programme is revised annually as part of the budget setting process. Any significant variations to the Capital Programme require member approval which is usually sought via in-year budget reports. Delivery of the Capital Programme is part of the monthly financial monitoring process and involves close liaison between the corporate finance team and Project Officers (POs) in relevant spending departments.

### **Review and Governance**

65. The Capital Strategy will be reviewed annually and updated to align with the Council's Medium Term Financial Strategy, annual revenue and capital budgets, and any changes to the Council Plan. This should enable the Council to make investment decisions which are affordable, offer good value for money, and support its strategic aims.
66. The Key Prudential Indicators identified as being most relevant to the development and management of the Council's Capital Programme are set out in Table 9 as follows:

*Table 9 – Key Prudential Indicators – Council objectives 2024/25*

<b>Key Prudential Indicator</b>	<b>Council objective</b>
Capital Financing Requirement (CFR)	Year-on-year increases to the CFR should be minimized
External Debt vs the CFR	External debt should always remain below CFR
Financing costs as a % of net revenue income - GF	% calculated should remain below 10%
Financing costs as % of net revenue income - HRA	% calculated should remain below 50%

67. These indicators are set out in detail in Appendix F and will be monitored throughout the financial year. At this stage it is anticipated that all of the above objectives will be met in 2024/25. Any significant variations will be reported to members.

### **Knowledge and Skills**

68. The Council employs professionally qualified and experienced staff in all positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Section 151 Officer will always be a qualified accountant with substantial local government experience and the MIFID II “opting up” process has demonstrated that there is an appropriate range of skills and expertise within the corporate Treasury Team.
69. All Finance staff are encouraged to study for relevant professional qualifications and, once qualified, to keep their professional knowledge up to date. The Council has its own in-house legal services team, and in-house valuation specialists who are Royal Institution of Chartered Surveyors (RICS) qualified. It also employs officers with specialist skills and experience in relation to procurement, risk management and Health and Safety.
70. Where the Council needs additional resources, for example to validate work done by officers or to provide specialist expertise in areas where Council staff do not have the knowledge and skills required, use is made of external advisers. For example, the Council



currently employs Arlingclose Limited as treasury management advisers, and Jones Lang LaSalle are advising on asset disposals. This approach is more cost effective than employing additional resources directly and all consultant and advisor contracts are subject to rigorous tender evaluation.

## **Background Papers**

2023/24 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council 22 February 2023.

Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 report to Corporate & Resources Scrutiny & Executive July 2023.

Financial Strategy Update report to 09 November 2023 Corporate & Resources Scrutiny and 08 November 2023 Executive.

2024/25 General Fund Revenue & Capital Programme update to 05 December 2023, Corporate & Resources Scrutiny Committee, 06 December 2023 Executive and 20 December 2023 full Council.

Monthly Budget Monitoring reports to Executive & Corporate & Resources Scrutiny Committee

## **Appendices**

Appendix A – Proposed General Fund Capital Programme 2024/25 to 2026/27

Appendix B - Proposed HRA Capital Programme 2024/25 to 2026/27

Appendix C – Details of Major Capital Projects

Appendix D – Sources of Capital Funding

Appendix E – Minimum Revenue Provision (MRP) Policy Statement 2023/24 and 2024/25

Appendix F - Key Prudential Indicators 2024/25

Appendix G – Flexible Use of Capital Receipts Policy

## Report Sign-Off

	<b>Officer Name</b>	<b>Date Completed</b>
Legal & Governance Implications	David Clark	29/01/2024
Communications	Peter Elliott	29/01/2024
Finance & Procurement	Nicola Hix	29/01/2024
Workforce	Dawn Bettridge	28/01/2024
Asset Management	Oliver Woodhams	29/01/2024
Executive Director / Senior Manager	Jason Vaughan	29/01/2024
Strategy & Performance	Sara Cretney	29/01/2024
Executive Lead Member	Cllr Liz Leyshon	29/01/2024
Consulted:		
Local Division Members	All	
Opposition Spokesperson	Cllr Mandy Chilcott Deputy Leader of the Opposition and Opposition Spokesperson for Resources and Performance	Via Audit Committee 26/01/2024
Scrutiny Chair	Cllr Bob Filmer, Chair - Scrutiny Corporate & Resources Committee	Part of Scrutiny Papers