

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 January 2020

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2020/21
Report of:	Deputy Chief Executive and Section 151 Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report considers the Capital Strategy for 2020/21, prior to its submission to the Council for approval.

Executive summary:

Regulations require the Council to prepare and formally approve a Capital Strategy. The document for 2020/21 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

The Capital Strategy gives a high-level overview of how capital expenditure, capital financing, asset management and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The main highlights in the Capital Strategy are:

- i) The level of capital expenditure estimated for 2020/21 is £31.8 million. The current estimate is that £11.9 million of this will be met by new borrowing.
- ii) A high-level review of future funding requirements has identified a capital funding requirement of £196 million.
- iii) The Council's commercial property portfolio has an estimated value of £69.9 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2020/21 will be presented at the February meeting of the Executive.

Recommendation:

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2020/21, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2019/20 to 2023/24, amounting to £92.5 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2020/21 to Council for approval.

Reason:

To allow the Council to approve the Capital Strategy in accordance with the Prudential Code.

Cost of proposals:

As detailed in the report.

Appendices: **A:** Capital Strategy 2020/21 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers:

CIPFA Prudential Code 2017

Arlingclose Capital Strategy 2020-21 Template

Report to the Executive 4 February 2019, Treasury Management Strategy & Capital Strategy 2019/20