

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 February 2022

Portfolio:	Policy and Resources
Subject:	Capital Programme and Capital Strategy 2022/23
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	A dynamic, prudent and progressive Council

Purpose:

This report considers the Capital Strategy for 2022/23, 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 2022/23 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 2022/23 is £19.9 million. The current estimate is that £9.8 million of this will be met by new borrowing.
- ii) A new section about Environmental Sustainability has been added.
- iii) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- iv) The Council's commercial property portfolio has an estimated value of £61.5 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2022/23 is also presented at the February meeting of the Executive.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2022/23, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2021/22 to 2025/26, amounting to £73.8 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2022/23 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 2022/23 (including 5-year capital programme as Annex 1)

Background papers: None

Reference papers: Fareham Borough Council Climate Change Action Plan, 7 June 2021
Executive
CIPFA Prudential Code 2017
Arlingclose Capital Strategy 2022-23 Template

Enquiries:

For further information on this report please contact Caroline Hancock (Ext 4589)