

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 08 January 2024

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Capital Programme and Capital Strategy 2024/25</b>
<b>Report of:</b>	Assistant Chief Executive Officer
<b>Corporate Priorities:</b>	Responsive, Inclusive and Innovative Council

**Purpose:**

This report considers the Capital Strategy for 2024/25, 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 2024/25 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 2024/25 is £16.4 million. The current estimate is that £1.3 million of this will be met by new borrowing.
- ii) A new policy of capitalising officer salary costs that are directly attributable to capital schemes will be considered as part of the total project costs.
- iii) A high-level review of future funding requirements has identified a capital funding requirement of £229 million.
- iv) The Council's investment property portfolio has an estimated value of £70 million.

A separate report proposing the Treasury Management Strategy and Investment Strategy for 2023/24 will be presented at the February meeting of the Executive.

**Recommendation:**

It is recommended that the Executive:

- (a) endorses the draft Capital Strategy for 2024/25, attached as Appendix A to this report;
- (b) approves the capital programme for the period 2023/24 to 2027/28, amounting to £82.3 million as set out in Annex 1 of the Capital Strategy; and
- (c) agrees to submit the Capital Strategy for 2024/25 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 2024/25 (including 5-year capital programme as Annex 1)

**Background papers:** None

**Reference papers:**        CIPFA Prudential Code 2021  
                                      Arlingclose Capital Strategy 2024/25 Template

**Enquiries:**

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