

## **Appendix 2 – Capital Strategy 2024/25**

1. This report presents the Capital Strategy for 2024/25 which sets out the proposed Capital Programme for 2024/25 with future years projected to 2030/31.
2. The Capital Strategy is an annual requirement that must be approved by Full Council.
3. The purpose of the Capital Strategy is to clearly set out the priorities and framework within which Wiltshire Council determines its resourcing priorities for capital investment, decides the level of borrowing, the affordability of the borrowing and sets the level of the risk appetite.

### **BACKGROUND**

4. The Prudential Code for Capital Finance in Local Authorities (2017) introduced a new requirement for Local Authorities to prepare an annual Capital Strategy to be authorised by Full Council.
5. The purpose of the Capital Strategy is to clearly set out the priorities and framework within which Wiltshire Council determines its resourcing priorities for capital investment, decides the level of borrowing, the affordability of the borrowing and sets the level of the risk appetite.
6. The Prudential Code sets out that the Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing 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 sustainability.
7. The Capital Strategy does not duplicate more detailed policies, procedures or plans; it is intended to sit above and reference these to allow those seeking more detail to know where to find it.
8. Capital Expenditure is defined within the Chartered Institute of Public Finance and Accountancy's (CIPFA) Accounting Code of Practice as; Expenditure that results in the acquisition, construction, or the enhancement of non-current assets (tangible or intangible) in accordance with proper practices. All other expenditure must be accounted for as revenue expenditure unless specifically directed by the Secretary of State.

### **CAPITAL EXPENDITURE**

#### **Capital Programme**

9. The Capital Programme is approved by Full Council. The proposed Capital Programme 2024/25 to 2030/31 is attached in Appendix 1, annex 9, and totals £1,107.506m. A summary position is set out in the tables below for both the capital spend and how it is planned to be financed.

10. The Capital Programme sets out the capital projects that the council plans to invest in over the next 7 years from 2024/25 to 2030/31; the amount of budget per project per year and the indicative sources of funding.

	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m	Total Budget £m
Corporate Director - People	41.116	46.289	15.636	25.855	128.896
Corporate Director - Resources	71.697	56.835	14.121	31.574	174.227
Corporate Director - Place	90.783	86.566	71.071	290.432	538.852
<b>Total General Fund</b>	<b>203.596</b>	<b>189.690</b>	<b>100.828</b>	<b>347.861</b>	<b>841.975</b>
Housing Revenue Account	45.659	53.533	38.805	127.534	265.531
<b>Total Capital Programme</b>	<b>249.255</b>	<b>243.223</b>	<b>139.633</b>	<b>475.395</b>	<b>1,107.506</b>

Grants	80.534	69.677	51.779	255.113	457.103
Other Contributions	0.986	-	-	32.090	33.076
S106 Contributions	2.323	4.004	-	-	6.327
CIL Contributions	5.927	12.242	4.703	4.917	27.789
HRA	45.659	53.533	38.804	127.534	265.530
Capital Receipts	2.532	0.250	0.250	0.750	3.782
Stone Circle Loans	18.335	16.519	4.119	0.612	39.585
Borrowing Funded by Revenue Savings	9.180	-	-	-	9.180
Borrowing	83.779	86.998	39.978	54.379	265.134
<b>Total Funding</b>	<b>249.255</b>	<b>243.223</b>	<b>139.633</b>	<b>475.395</b>	<b>1,107.506</b>

11. The Capital Programme has been reviewed by the Capital Investment Programme Board. This officer governance process provides oversight across the programme and alignment with the Business Plan priorities. This governance also provides additional challenge to ensure all figures are validated and profiled realistically, in consultation with Capital Project leads where necessary, as the council has seen over-confidence with the deliverability of the scale of the programme that has been set previously in any given year. Profiling of the programme is critical not only to ensure deliverability but also due to the funding assumptions for those that impact revenue are realistic.
12. The revenue impact of financing capital investments are twofold; external interest payable and Minimum Revenue Provision (MRP). For the proposed capital programme 2024/25 to 2030/31 these have been factored into the 2024/25 revenue budget setting process and MTFS.
13. In setting the Capital Programme, the council will consider projects that can generate new or additional future on-going income revenues to replace reducing grant funding and enable services that are required by the community to be provided. Opportunities will also be explored to develop new ways of relieving future pressures. These projects will meet wider council priorities for example support economic activity, development or regeneration so will not be purely for yield.
14. The council will look to maximise opportunities to secure external funds and work with partners, both private and other government agencies, to increase the overall level of investment within Wiltshire to support priorities and economic development.

## People (£128.896m in the period 2024/25-2030/31)

Scheme name	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m
<b>Adults</b>				
Disabled Facilities Grants	4.197	6.266	3.472	9.000
<b>Adults Total</b>	<b>4.197</b>	<b>6.266</b>	<b>3.472</b>	<b>9.000</b>
<b>Education &amp; Skills</b>				
Access and Inclusion	0.165	0.100	0.100	0.300
Basic Need	13.469	12.002	0.400	1.200
Stonehenge School Replacement of Lower Block	0.103	0.000	0.000	0.000
Devolved Formula Capital	0.500	0.500	0.500	1.500
Schools Maintenance & Modernisation	7.099	9.605	6.805	11.855
BID backlog Maintenance	2.000	2.000	2.000	2.000
Early Years & Childcare	1.212	0.000	0.000	0.000
Early Years Buildings	0.468	0.200	0.210	0.000
BID Canons House	0.750	2.650	0.100	0.000
Silverwood Special School	5.203	2.235	0.049	0.000
BID SEND - High Needs	4.000	4.000	2.000	0.000
High Needs Provision Capital Allowance	1.700	6.615	0.000	0.000
<b>Education &amp; Skills Total</b>	<b>36.669</b>	<b>39.907</b>	<b>12.164</b>	<b>16.855</b>
<b>Families &amp; Children's Service</b>				
Childrens Homes	0.250	0.116	0.000	0.000
<b>Families &amp; Children's Total</b>	<b>0.250</b>	<b>0.116</b>	<b>0.000</b>	<b>0.000</b>
<b>PEOPLE TOTAL</b>	<b>41.116</b>	<b>46.289</b>	<b>15.636</b>	<b>25.855</b>

15. The Disabled Facility programme is funded by government grant and is forecast to be £22.935m across this capital programme period. This programme enables vulnerable individuals to remain in their homes through means tested adaptations.
16. We want to give the children of Wiltshire the best start in life as it is a fundamental part of improving their long-term life chances and affords them the best opportunity to live long, full and healthy lives as well as supporting the Business Plan priority principle of Empowering People. Wiltshire invests in Early Years and Schools to ensure places are available, offering choice and inclusivity and ensuring buildings are in a good condition and provide the right environment for learning and to keep children safe.
17. Included within the programme are significant schemes that cover the planned maintenance of Wiltshire schools from roof replacements to heating systems, that help support the council's commitment to carbon neutrality. Other schemes provide for expansions and new schools as well as ensuring facilities are accessible for pupils with additional needs. Schools Basic Need ensures that there are enough school places for children in their local area.
18. As part of 2024/25 budget setting additional investment of £8m has been added to the programme. This additional funding is to manage backlog maintenance and mitigate further decline.
19. The Budget Report 2024/25 Appendix 3 provides the full detail of the projects included under the Schools Capital programme.

20. The Silverwood and SEND Special School capacity and alternative provision programmes builds upon the success in 2022/23 when 132 Resource Base and Special School places were created. The programme team will deliver significant additional places from September 2023 for learners with SEND. A new school building will be delivered at the Silverwood Rowde campus near Devizes.
21. In recognition of rising national need for specialist places, the Department for Education (DfE) have provided annual High Need capital grants – of varying amounts since 2018/19 to facilitate creation and expansion of Special School and Resource Base provision. An additional £10m from 2024/25 to 2026/27 in lieu of any Higher Needs Places Allocation grant. This was approved by Cabinet in December 2023. This funding supports the proposals in the draft Safety Valve plan and delivery of the plan is dependent on the creation of additional places included in the proposal.
22. An additional £3.500m for an extension to Cannon’s House respite Centre in Devizes has been included to develop a ground floor fully accessible annex for children and young people who are wheelchair users. Cannons House is a respite childrens home that supports families by providing overnight short breaks for children and young people with profonde and multiple learning difficulties and complex health needs.

### Resources (£174.227m in the period 2024/25-2030/31)

Scheme name	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m
<b>Finance</b>				
Evolve Project	2.637	0.000	0.000	0.000
<b>Finance Total</b>	<b>2.637</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Assets</b>				
Capital Receipt Enhancement	0.587	0.000	0.000	0.000
Depot & Office Strategy	3.061	0.000	0.000	0.000
Facilities Management Operational Estate	3.885	4.135	2.778	8.333
Gypsies and Travellers Projects	0.600	0.600	0.000	0.000
Porton Science Park	0.487	0.000	0.000	0.000
Health and Wellbeing Centres - Live Schemes	1.638	0.000	0.000	0.000
Property Carbon Reduction Programme	2.965	2.000	0.000	0.000
Park & Ride Solar Panel Canopies	1.467	1.467	0.000	0.000
Facilities Management Investment Estate	0.500	0.250	0.250	0.750
Social Care Infrastructure & Strategy	0.000	0.634	0.000	0.000
Salisbury Resource Centre	0.825	0.000	0.000	0.000
South Chippenham	0.300	0.000	0.000	0.000
Housing Acquisitions	21.426	17.754	0.000	0.000
Short Term Depot Provision	2.067	1.700	0.000	0.000
<b>Assets &amp; Commercial Development Total</b>	<b>39.808</b>	<b>28.540</b>	<b>3.028</b>	<b>9.083</b>
<b>Capital Loans</b>				
Stone Circle Housing Company Loan	13.335	11.519	0.119	0.612
Stone Circle Development Company Loan	5.000	5.000	4.000	0.000
<b>Capital Loans Total</b>	<b>18.335</b>	<b>16.519</b>	<b>4.119</b>	<b>0.612</b>
<b>Information Services</b>				
ICT Applications	5.021	2.181	0.000	0.000
ICT Business as Usual	1.465	1.442	0.342	0.000
ICT Other Infrastructure	0.647	0.545	0.201	0.000
ICT Get Well	3.746	0.525	0.000	0.000
BID ICT Stay Well	0.000	7.083	6.431	21.879
Microsoft Cloud Navigator	0.038	0.000	0.000	0.000
<b>Information Services Total</b>	<b>10.917</b>	<b>11.776</b>	<b>6.974</b>	<b>21.879</b>
<b>RESOURCES TOTAL</b>	<b>71.697</b>	<b>56.835</b>	<b>14.121</b>	<b>31.574</b>

23. The council's Asset Management Plans set out the approach to managing the council's land and property assets. The council has asset management policy frameworks which support the overall approach of managing assets by portfolio and include areas such as disposals and acquisitions, as well as active management of the council's operational, commercial, and rural estate. These assets support all 4 Business Plan priorities.
24. The council continues to focus on the most efficient use of its buildings, which includes sharing space. The council is moving to a market rent position for its tenants and has implemented a third party charging policy.
25. Wiltshire Council is on the path to meet its carbon neutral commitment and included within the programme are schemes and projects for the estate that will assist with this. These projects include lighting upgrades, PV installations, upgraded air handling units and installation of air source heat pumps.
26. £0.715m investment has been added to the programme for essential works to electrical supply and infrastructure at County Hall.
27. £2024/25 represents the last financial year for the existing approved ICT investment programme and a new six year investment programme, totalling over £35m, is being included in this budget. The investment programme will span 2025/26 to 2030/31 and will ensure the Council's ICT infrastructure is secure while delivering projects and transformation.
28. Around £16m of the investment over the 5 years will be on core ICT infrastructure, security improvements and a rolling programme of replacement equipment for the whole council e.g. laptops, smartphones and hybrid technology. Circa £15m of the investment will be the capitalisation of ICT staff directly involved in the delivery of schemes and projects, with the remaining spend, over £4m, being spent on upgrades or replacement of line of business applications e.g. revenues and benefits.
29. Stone Circle Housing and Development companies were established in 2019 to meet a range of Wiltshire's strategic housing needs and undertake residential development, predominantly on council owned land to ensure these needs are met while increasing the potential return to the council.
30. The aim of Stone Circle Housing Company is to meet a range of strategic housing needs facing the council that cannot easily be addressed by the council's current approaches. Accommodation to meet the needs of specific vulnerable households in a timely manner from the existing housing stock in Wiltshire is not a priority for the council's registered provider partners. The council procures accommodation for homeless households that is costly and the quality and cost could be improved by private rented sector accommodation provided by a local housing company. The Stone Circle Business Plan aims to purchase 250 properties by 2025. Stone Circle is also able to provide other accommodation to meet specific council service need.
31. The council has a successful programme of asset disposal. Over the next three years the council estimates that it may be able to offer to the market sites capable of

residential development which, subject to planning permission could deliver over 500 units of accommodation. The council has established Stone Circle Development Company to enable the strategic housing needs across the county to be better met while increasing the potential return that could be generated from the developments.

32. Improving housing supply is critical for ensuring people can live and work locally and play an active part in their community. We want to ensure that residents have easy access to high quality and affordable housing that's close to their family, that's right for them and in beautiful places.
33. The total budget for these schemes across this capital programme period is £39.585m and will be financed by external borrowing which will be funded by returns from the Stone Circle Housing and Development companies.

### Place (£538.852m in the period 2024/25-2030/31)

Scheme name	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m
<b>Highways &amp; Transport</b>				
Parking Contactless Machines	0.260	0.000	0.000	0.000
Fleet Vehicles	2.780	2.221	1.599	9.604
Highway flooding prevention and Land Drainage schemes	0.000	0.000	0.000	0.000
Integrated Transport	2.508	1.781	1.781	5.343
Local Highways and Footpath Improvement Groups	1.441	0.800	0.800	2.400
Structural Maintenance & Bridges	20.727	16.139	16.139	48.417
Drainage Improvements	0.815	0.000	0.000	0.000
Major Road Network M4 Junction 17	1.600	1.347	24.214	0.000
A338 Salisbury Junction Improvements MRN	1.915	0.000	0.000	0.000
A350 Chippenham Bypass (Ph 4&5) MRN	14.999	12.487	0.000	0.000
A3250 Melksham Bypass LLM - Full Scheme	3.186	9.476	6.516	216.609
Safer Roads Fund - A3102	4.450	1.730	0.000	0.000
Highway Investment Plan	7.000	2.500	0.000	0.000
Central Area Depot & Strategy	6.243	10.483	11.144	4.457
<b>Highways &amp; Transport Total</b>	<b>67.924</b>	<b>58.964</b>	<b>62.193</b>	<b>286.830</b>
<b>Economy &amp; Regeneration</b>				
Salisbury Future High Streets	5.781	0.000	0.000	0.000
Trowbridge Future High Streets	5.322	0.764	0.000	0.000
UK Shared Prosperity Fund Projects	1.512	1.500	0.000	0.000
Carbon Reduction Projects	0.009	0.009	0.009	0.000
Wiltshire Ultrafast Broadband	1.010	0.000	0.000	0.000
Wiltshire Online	0.128	0.097	0.000	0.000
<b>Economy &amp; Regeneration Total</b>	<b>13.762</b>	<b>2.370</b>	<b>0.009</b>	<b>0.000</b>
<b>Environment</b>				
Waste Services	1.765	1.684	0.684	1.317
BID AIR QUALITY EQT	0.095	0.000	0.000	0.000
HUG 2 Grant	1.606	0.000	0.000	0.000
<b>Environment Total</b>	<b>3.466</b>	<b>1.684</b>	<b>0.684</b>	<b>1.317</b>
<b>Leisure Culture &amp; Communities</b>				
Area Boards Grants	0.400	0.400	0.400	1.200
Community Projects	0.000	0.400	0.000	0.000
Fitness Equipment for Leisure Centres	1.070	0.510	0.485	0.085
Libraries - Self Service	0.250	0.141	0.000	0.000
Trowbridge Leisure Centre	0.800	15.000	7.300	1.000
Leisure Requirements	3.041	7.097	0.000	0.000
History Centre Reception and Performing Arts Library	0.070	0.000	0.000	0.000
<b>Leisure Culture &amp; Communities Total</b>	<b>5.631</b>	<b>23.548</b>	<b>8.185</b>	<b>2.285</b>
<b>PLACE TOTAL</b>	<b>90.783</b>	<b>86.566</b>	<b>71.071</b>	<b>290.432</b>

34. Wiltshire invests in its infrastructure. This includes the resurfacing of roads, reactive patching, surface dressing, drainage and pothole repairs and Real Time Passenger Information. This is funded by a combination of external grants from central government, borrowing and developer contributions.
35. An additional investment of £9.203m has been included for the replacement of fleet vehicles from 2026/27 to 2029/30. This was recommended by cabinet earlier this financial year to be approved by Full Council for phase 2 and 3. Engine types have been identified to ensure climate impacts are minimised, whilst delivering business continuity resilience.
36. In addition Waste Near Term Vehicle Replacement £0.872m has been added to the programme for the replacement of waste vehicles. This is an increase to the existing programme to replace older vehicles.
37. An additional investment of £37.928m for delivery of a new central area strategic depot at Melksham while ensuring all remaining depots remain compliant. This will be funded by £1.870m capital receipts and £36.058m borrowing. This funding covers £32.619m for the depot and £5.309m to cover the immediate term requirements across central, south and north existing sites to cover health and safety, operational and resilience work. This allows for a 10% contingency and inflationary uplifts.
38. The council secured Department for Levelling Up, Housing and Communities (DLUHC) grant funding in 2022/23 for Future High Streets and combined with a local contribution will deliver projects in Trowbridge and Salisbury.
39. Salisbury Future High Streets budget of £5.781m for this period will focus on the Station Forecourt and Fisherton Street in Salisbury. This will enhance the public realm and improve accessibility to make it easier, safer, and more convenient to travel into the city centre.
40. Trowbridge Future High Streets budget of £6.086m, will deliver a range of projects aiming to strengthen the sustainability of Trowbridge Town centre by creating a more diverse offer and increasing footfall. Ensuring this long-term sustainability involves maximising the use of some key buildings, bringing vacant retail units back into use, as well as improving connectivity, the public realm and active travel opportunities within the town centre.
41. Waste Services requires an addition investment of £0.479m for the purchase of specialist shredding equipment that will provide the necessary infrastructure to minimise the amount of residual waste currently sent to landfill.
42. Waste Services also requires investment for £0.149m to purchase specialist large (1,100 litre capacity) wheeled bins for mixed dry recycling collections from properties that use communal recycling bins. These new bins will reduce contamination in recycling and will improve the quantity and quality of materials collected.
43. An additional investment of £0.095m is required for the provision of new real time monitoring equipment to improve data collection regarding emissions in Westbury.



44. In February 2022 there was a major landslip which resulted in the B4069 Lyneham Banks being severely damaged and having to be temporarily closed to traffic. It has had to remain closed because of the extensive damage. A total of £5.000m capital funding has been agreed to allow Wiltshire council to meet its duty as Highway Authority to repair the road. The design of the scheme is being finalised and going out to tender and it is intended that the outcome of the procurement exercise will go to cabinet in April 2024 with works to be completed late 2024/early 2025.

### Housing Revenue Account (£265.531m in the period 2024/25-2030/31)

Scheme name	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m
<b>Housing Revenue Account</b>				
HRA - Council House Build Programme (Phase 2)	0.234	0.000	0.000	0.000
HRA - Council House Build Programme (Phase 3.1)	3.940	3.940	0.000	0.000
HRA - Council House Build Programme (Phase 3.2)	5.070	2.649	0.000	0.000
HRA - Council House Build Programme (Phase 3.3)	7.951	5.944	0.000	0.000
HRA - Council House Build Programme (Phase 3.4)	8.612	8.343	0.000	0.000
HRA - Council House Build Programme (Phase 3.5)	0.000	15.925	23.473	60.676
HRA - Refurbishment of Council Stock	19.302	16.192	14.832	64.258
HRA - Highways Road Adoptions	0.550	0.540	0.500	2.600
<b>Housing Revenue Account Total</b>	<b>45.659</b>	<b>53.533</b>	<b>38.805</b>	<b>127.534</b>

45. The Housing Revenue Account is overseen by the Housing Board. The Board is responsible for setting the vision and strategic direction of the service. It is appointed to by the Service and the term of office is linked to the local government cycle. The board has to be reappointed every 4 years at a minimum. The Wiltshire Housing Board is a 9-person board comprising 3 independent members, 3 resident members and 3 councillor members. Officers report regularly to the board to provide assurance on the adequacy and effectiveness of running the service. There is a separate HRA budget report for 2024/25 financial year detailing the HRA capital programme.
46. The Council House Build Programme is aligned to the remodelled Housing Revenue Account (HRA) business plan 2021-2051 that was approved by Cabinet in January 2021. The 30-year business plan aims to deliver a substantial increase in the amount of money available to be invested in capital works on existing dwellings and to deliver new housing to replace properties that have been sold under the Government's Right to Buy scheme and to address housing need. This Business Plan is reported, approved, and monitored through the Housing Board. A revised plan will be brought to Cabinet in 2023/24 for approval to reflect the significant changes in inflation and report on the financial implications of these changes.
47. The total budget for the New Build programme over the period is £146.757m and will be funded by a mixture of grants & contributions, HRA capital receipts or by the HRA, either directly or via external borrowing (funded by the HRA). The aim of the Business Plan is to deliver carbon zero new builds and investment in all existing stock to achieve energy performance rating B.
48. The Refurbishment of Council Stock programme is for the cyclical repairs and maintenance on the council's housing stock e.g. bathrooms, kitchens, roofs boilers etc. This also includes the work to improve the Energy Efficiency of the Council's Housing Stock. The total budget for this scheme over the period is £114.584m.



## Capital Financing

49. The Capital Programme financing can be summarised as follows:

Funding	2024/25 Budget £m	2025/26 Budget £m	2026/27 Budget £m	Future Years Budgets £m	Total Budget £m
Grants	80.534	69.677	51.779	255.113	457.103
Other Contributions	0.986	-	-	32.090	33.076
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50. The council seeks to utilise a wide range of funding to support its Capital Programme, maximising external funding opportunities, such as grants and contributions, and limiting internal sources, such as revenue funding. Capital funding sources are described below.
51. **Grants & Contributions** - Grant funding is one of the largest sources of financing for the Capital Programme. The majority of grants are awarded by Central Government departments, but some are received from other external bodies. Grants can be specific to a scheme, have conditions attached (such as time and criteria restrictions), or are for general use. S106 deposits account for the majority of capital contribution funding; these deposits are paid by developers and are ringfenced for particular projects as defined in the individual S106 agreements. Community Infrastructure Levy (CIL) can be used to fund capital expenditure in line with the council's CIL policy.
52. **HRA** – Capital expenditure for the Housing Revenue Account (HRA) is ringfenced from general fund capital expenditure and is financed by a combination of HRA borrowing and use of the ring-fenced HRA major repairs reserve.
53. **Capital Receipts** - The income received over the value of £0.010m from the disposal of Fixed Assets or the repayment of loans for capital purposes is defined as a capital receipt. They can normally only be used to fund capital expenditure or repay debt. Some capital receipts have additional restrictions on their use. The council seeks to obtain the highest possible receipt achievable from each disposal after considering wider community or service benefits. HRA receipts generated from the disposal of HRA assets are ringfenced to fund HRA projects.
54. **Borrowing (funded by revenue savings in service )** – This is where a scheme is in the Capital Programme to be funded by borrowing but it is anticipated that revenue

savings or income generation arising from the capital investment will be utilised to fund the costs of borrowing.

55. **Borrowing** - The council can determine the level of its borrowing for capital financing purposes, based upon its own views regarding the affordability, prudence and sustainability of that borrowing, in line with the CIPFA Prudential Code for Capital Finance and within the Prudential Indicators set within the Treasury Management Strategy Statement. Borrowing levels for the Capital Programme are therefore constrained by the affordability assessment and by the availability of the revenue budget to meet the cost of this borrowing which is built into the council's Medium-Term Financial Strategy (MTFS).
56. **Revenue Funding** - The council can use revenue resources to fund capital projects on a direct basis. However, given the pressures on the revenue budget of the council, there are currently no plans to finance any of the current capital programme by revenue funding and it is unlikely that the council will choose to undertake this method of funding in the future if other sources are available.

### **Capitalisation**

57. The council has a set of Accounting Policies that are approved annually by the Audit and Governance Committee that set out the council's approach to capitalisation and are based upon guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and take account of local circumstances.
58. The approved Accounting Policies are published within the Statement of Accounts and include policies on all the key accounting matters that affect the figures and disclosures in the statements.
59. Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the council and the cost of the item is directly attributable to an asset and can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense to the revenue account when it is incurred.

### **KNOWLEDGE AND SKILLS**

60. The Capital Strategy has been developed by Officers of the council, who have relevant knowledge and technical skills. In addition, external advice and management is employed by the council procuring and appointing suitably qualified advisors and managers to support the development, operation and design of the programmes.

### **Consultants**

61. The council will use external consultancy services where there is a requirement to do so. A contract is in place for Treasury Management advice which includes advice on borrowing.

### **Training**

62. In order to ensure that members and Statutory Officers have appropriate capacity and skills regarding their involvement in the investment decision making the following steps are required:

- Training given to Members in all aspects of the Statutory Guidance, the assessment of individual investments and risk.
- Technical training given to Statutory Officers and those officers negotiating commercial deals in the technical fields of investment evaluation and requirements of the statutory guidance and prudential code.
- Briefings to members of the relevant committees in advance of any investment decision making prior to a decision being brought forward to the committee covering all aspects of the assessment as well as the strategic fit.

63. The Corporate Governance arrangements around decisions on non-financial investments will follow the rigour of our normal committee arrangements. The relevant Cabinet Members will be fully briefed in terms of the full details of the assessment including external advisor reports. Scrutiny will review all such individual decisions in advance of a Cabinet decision.

### **Financial Implications**

64. These have been examined and are implicit throughout the report.

65. The revenue implications (Minimum Revenue Provision and External Interest) of funding the capital programme have been estimated and have been included in the council's 2024/2025 revenue budget setting report as well as in the Medium-Term Financial Strategy.

### **Workforce Implications**

66. Staff who are working on specific schemes within the capital programmes will be funded from the capital programme for the duration of the programme of work and therefore will be funded temporarily. This means that there may be implications for those staff at the end of the programme of work. However, the council has in place robust policies and procedures to support this.