

## **REPORT TO EXECUTIVE**

Date of Meeting: 4 February 2025

## **REPORT TO COUNCIL**

Date of Meeting: 25 February 2025

Report of: Strategic Director Corporate Resources & S151 Officer

Title: Capital Strategy 2025-26

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

1.1 To approve the Capital Strategy.

#### **2. Recommendations:**

2.1 It is recommended that Council approve the Capital Strategy as set out in Appendix A.

#### **3. Reasons for the recommendation:**

3.1 The aim of the capital strategy is to ensure all elected members fully understand the long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

#### **4. What are the resource implications including non financial resources.**

4.1 The financial resources required are set out in the body of this report.

#### **5. Section 151 Officer comments:**

5.1 There are no significant changes to the strategy this year. A lack of capital receipts means the Council is reliant on borrowing to fund additional schemes, which will have a negative impact on the already financially challenged position of both the General Fund and HRA. As such, neither is in a position to take on further schemes without a fundamental improvement in interest rates or additional capital resources being realised.

#### **6. What are the legal aspects?**

6.1 The capital expenditure system is framed by the Local Government and Housing Act 1989 and the Local Government Act 2003. The CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury management in the Public Services Code of Practice and Cross-Sectoral Guidance notes (the Treasury Management Code) were updated in December 2021. The Codes set out the obligation

on all local authorities to prepare a Capital Strategy report and the requirements of the report. The proposed Capital Strategy for Exeter City Council for 2025-2026 is set out at Appendix A.

## **7. Monitoring Officer's comments:**

7.1 This report raises no issues for the Monitoring Officer.

## **8. Report details:**

8.1 The Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

The proposed Capital Strategy is attached at Appendix A.

## **9. How does the decision contribute to the Council's Corporate Plan?**

9.1 The Capital Strategy contributes to all of the key purposes, as set out in the Corporate Plan.

## **10. What risks are there and how can they be reduced?**

10.1 Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 No

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## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

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