

EXECUTIVE

05 FEBRUARY 2019

CAPITAL STRATEGY 2019/20

The Overview and Scrutiny Management Board met on 31 January 2019 to consider the Capital Strategy 2019/20 in compliance with the revised 2017 CIPFA Prudential Code.

The Overview and Scrutiny Management Board supported the Capital Strategy 2019/20 and the recommendations to the Executive and agreed to pass on the following comments as part of the future consideration of this item.

- The Board welcomed proposals included in the Capital Strategy for the Council to consider and approve a joint Capital Programme and Revenue Budget in February of each year, and for performance against the Capital Programme to be reported to the Overview and Scrutiny Management Board twice per year.
- The Board questioned officers on the biggest risks and challenges facing the Capital Strategy going forward.
 - Officers highlighted that the majority of key risks were in relation to individual projects and the purpose of the capital strategy was to give a high level overview of how capital expenditure and its financing contribute to the provision of services, along with an overview of how associated risk were managed and the implications for future financial sustainability.
 - Officers highlighted Annex E (*Estimated Proportion of Revenue Budget to be Spent on Capital Financing Charges*) as a potential challenge should the level of capital financing charges on revenue increase. Officers also highlighted unfunded borrowing as a risk as the proportion of revenue budget spent on capital financing increases closer to the voluntary 10% target.
- The Board recommended that Scrutiny Committees have the opportunity to consider Capital Programme information to ensure greater oversight and scrutiny of the capital programme. The Overview and Scrutiny Management Board felt there would be benefits of regular scrutiny and monitoring of the capital programme.

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