

## AUDIT COMMITTEE - 4 DECEMBER 2018

### PART I –DELEGATED

#### 11. DRAFT CAPITAL STRATEGY (DoF)

##### 1 Summary

1.1 This report seeks comments from the Audit Committee on the draft capital strategy for 2019/20.

##### 2 Details

2.1 The Capital Strategy is a new requirement introduced under the revisions made to the Prudential Code in 2018. It replaces the requirement to report on a detailed Treasury Management Strategy as part of the budget setting process.

2.2 The purpose of the capital strategy (the Strategy) is to tell a story that gives a clear and concise view of how the council determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It 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 financial sustainability.

2.3 The detailed Treasury Management Strategy, in support of the approved Capital Strategy, will be brought to the Audit Committee immediately following the approval of the Capital Strategy by the Council.

2.4 The draft strategy is appended to this report and is at this point very much a work in progress as the figures contained within will be updated in parallel to the budget process.

##### 3 Options and Reasons for Recommendations

3.1 The Committee are asked to provide any comments on the draft strategy appended to this report in order that these can be taken to consideration in the finalisation of the strategy for agreement by council as part of the budget setting process.

##### 4 Policy/Budget Reference and Implications

4.1 The recommendations in this report are within the Council's agreed policy and budgets.

##### 5 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

5.1 None specific.

##### 6 Recommendation

6.1 That: the Committee review the draft strategy and make any comments it wishes to make.

Report prepared by: Alison Scott, Head of Finance.

**Data Quality**

Data sources:

Budget Monitoring.

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	√
<b>3</b>	<b>High</b>	

**Background Papers**

None

**APPENDICES / ATTACHMENTS**

Draft Capital Strategy