

# Audit and Governance Committee



Date of meeting:	28 November 2023
Title of Report:	<b>Capital Financing Strategy 2024/25</b>
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Interim Service Director for Finance)
Author:	Wendy Eldridge, Lead Accountancy Manager for Capital and Treasury Management
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Your Reference:	Finance/WE/CFS 24-25
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

This report sets out the Capital Financing Strategy for 2024/25 and is a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

## Recommendations and Reasons

That the Audit and Governance Committee recommends the Capital Financing Strategy to the Council for Approval.

*Reason: This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.*

## Alternative options considered and rejected

1. It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual capital financing strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

## Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Capital financing activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities

## Implications for the Medium Term Financial Plan and Resource Implications:

The cost of capital affects the Treasury Management Strategy and the Council's budget in terms of borrowing costs and investment returns. The Capital Strategy provides an overarching policy framework for the Council's capital programme and planning, and will form part of a suite of strategies which provide a holistic view of the Council's financial planning framework. With this in mind this

document should be considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

**Financial Risks**

There is an inherent risk to any capital financing activity. The Council continues to manage this risk by ensuring all investments are undertaken in accordance with the approved strategy, and keeping the capital programme under constant review.

**Carbon Footprint (Environmental) Implications:**

No direct implications

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

A robust capital programme is key to ensuring a successful delivery of our Medium Term Financial Strategy and ensuring the Council can achieve its objectives to be a Pioneering, Growing Caring and Confident City.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Capital Financing Strategy 2024-25							

**Background papers:**

*\*Add rows as required to box below*

*Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.*

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

**Sign off:**

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Originating Senior Leadership Team member: David Northey

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 17/11/2023

Cabinet Member approval: Approved by email

Date approved: 20/11/2023