



CAPITAL STRATEGY 2023-28 UPDATE

Report by Chief Financial Officer

PURPOSE

- 1.1 The purpose of the Report is to present to Members the updated Capital Strategy for 2023-28.

EXECUTIVE SUMMARY

- 2.1 The Prudential Code underpins the system of capital finance in local authorities. The 2017 edition of the code introduced a requirement for authorities to have a Capital Strategy in place by the 2019/20 financial year.
- 2.2 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 financial stability. This brings together the various strands of the capital investment process, such as the Treasury Management and Asset Management Strategies.
- 2.3 The Appendix to the Report sets out the Comhairle's Strategy for 2023-28, within the context of the 2023-28 Capital Programme, which will be updated annually.

RECOMMENDATIONS

- 3.1 It is recommended that the Comhairle approve the Capital Strategy 2023-28 appended to the Report.**

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Appendix: CnES Capital Strategy 2023-28
Background Papers: None

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	This Report is concerned with the allocation of finance to Capital Strategy as detailed in the Report.
Legal	Section 35 of The Local Government in Scotland Act 2003. The Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Key risk is the delivery of the Capital Strategy. Delays due to Covid and/or Brexit. Inflationary pressures and project overspends.
Equalities	None
Corporate Strategy	The Capital Strategy supports the delivery of the Comhairle's Corporate Strategy.
Environmental Impact	None
Consultation	None

BACKGROUND

5.1 The Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities introduced a requirement for authorities to prepare a Capital Strategy. This was first required for the 2019/20 financial year and an updated Strategy was approved by Committee for each financial year since.

DETAIL

6.1 The Capital Strategy gives 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 stability. This brings together the various strands of the capital investment process, such as the Treasury Management and Asset Management Strategies.

CONCLUSION

7.1 This Report is an update of the Capital Strategy approved by the Comhairle in April 2023.