



**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
STRATEGY AND RESOURCES COMMITTEE
23 JANUARY 2025**

**CAPITAL AND INVESTMENT STRATEGY FOR 2025 / 26, MINIMUM REVENUE PROVISION
STATEMENT 2025 / 26 AND TREASURY MANAGEMENT STRATEGY 2025 / 26**

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital and Investment Strategy, Minimum Revenue Provision (MRP) Statement and Treasury Management Strategy before the start of the financial year to which they relate.

2. RECOMMENDATIONS

- (i) That the Committee considers this report and appendices and recommends to the Council for approval on 13 February 2025:

To the Council:

- (ii) the Capital & Investment Strategy 2025 / 26 (**APPENDIX 1**), which includes the Capital Programme for 2025 / 26 – 2028 / 29 (**APPENDIX 1a**) and new Capital Projects Bids for approval (**APPENDIX 1b**)
- (iii) the Minimum Revenue Provision Statement 2025 / 26 (**APPENDIX 2**), and
- (iv) the Treasury Management Strategy 2025 / 26 (**APPENDIX 3**), with the Treasury Management Practices (**APPENDIX 3a**).

3. SUMMARY OF KEY ISSUES

- 3.1 The Capital & Investment Strategy details the intended capital expenditure plans and funding arrangements of the Council and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital and Investment Strategy for 2025 / 26 is at **APPENDIX 1**.
- 3.2 The Capital Strategy includes the Capital Programme (**APPENDIX 1a**), which is a 4-year financial plan for delivering the Strategy. The Capital Programme includes all approved capital projects, rolling programmes and new capital bids.
- 3.3 A full breakdown of new capital bids is included in **APPENDIX 1b**, revised following discussions at the Strategy and Resources Committee on 21 November 2024.
- 3.4 Local authorities must set aside funds annually to repay debt from capital expenditure, ensuring they do not take on more debt than they can afford. This charge is the Minimum Revenue Provision (MRP). The Minimum Revenue Provision

Statement 2025 / 26 is at **APPENDIX 2**, which details the methodology applied by the Council in charging a minimum amount to revenue.

- 3.5 The Treasury Management Strategy for 2025 / 26 is at **APPENDIX 3**. This strategy ensures the Authority maintains a balanced budget by managing cash flow and low-risk investments. Effective treasury management is crucial for meeting spending commitments and protecting the General Fund Balance. Governance of Treasury Management Practices is detailed in **APPENDIX 3a**.
- 3.6 These Strategies have been compiled with the advice and support of the Council's treasury advisor, Link Group, with the latest available data and interest rate forecasts at the time the strategies were drafted in December 2024.

4. CONCLUSION

- 4.1 The Capital and Investment Strategy, MRP Policy, and Treasury Management Strategy have been developed with the Council's strategic plans in mind, ensuring affordability and prudence.
- 4.2 These strategies have been updated to comply with statutory requirements and best practices. They consider the Council's financial position and align with broader corporate strategies, plans, and objectives, incorporating advice from the Council's external treasury advisor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Growing our economy

- 5.1.1 Utilising reserves and alternative funding sources to acquire or enhance the Council's assets minimises the reliance on annual local tax revenues.

5.2 Delivering good quality services.

- 5.2.1 Avoiding service failure is a key consideration when determining which assets to acquire or enhance.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – Any new investment decisions will be entered with suitable due diligence to ensure that any risks are identified and mitigated, where possible.
- (iv) **Impact on Resources (financial)** – The Council generates investment income from invested balances held in reserve. Any approved capital project bids may impact on the Council's reserves.
- (v) **Impact on Resources (human)** – None directly.

Background Papers: None.

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