

Arun District Council

REPORT TO:	Policy and Finance Committee – 13 March 2025
SUBJECT:	Updated Capital Strategy 2025/26 to 2029/30
LEAD OFFICER:	Antony Baden, Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Martin Lury
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's Capital Strategy promotes all the Council's Corporate Priorities.	
DIRECTORATE POLICY CONTEXT: The Capital Strategy influences all Directorates of the Council.	
FINANCIAL SUMMARY: The Capital Strategy, spending and funding projections are shown in the appendix.	

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is for this Committee to consider and make recommendations to Full Council on 19 March 2025 on the draft Capital Strategy 2025/26 to 2027/28.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Policy and Finance Committee recommend to Full Council that the Capital Strategy 2025/26 to 2029/30 be adopted.

3. EXECUTIVE SUMMARY

- 3.1. The report allows the Policy and Finance Committee to consider and comment on the Council's Capital Strategy 2025/26 to 2029/30 before adoption by Full Council on 19 March 2025.

4. DETAIL

- 4.1. CIPFA's Prudential Code for Capital Finance in Local Authorities (2021), requires all local authorities to provide a Capital strategy report to demonstrate that the authority:
 - takes capital expenditure and investment decisions in line with service objectives,
 - properly takes account of stewardship, value for money, prudence, sustainability and affordability,
 - sets out the long-term context in which capital expenditure and investment decisions are made,

- gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 4.2. The adoption of the capital strategy forms the framework and understanding of the longer-term policy objectives for capital investment decisions and will inform the capital budgets over this period. Members will note that the strategy itself is not the decision-making process for the Council's capital programme, but it should align closely with other key Council's strategies including the:
- Treasury Management Strategy,
 - Annual Investment Strategy,
 - Housing Revenue Account Business Plan,
 - Asset Management Strategy
 - Property Investment Strategy.
- 4.3. The strategy has been developed to deliver a capital programme which meets the aims of the Council's vision which is based around four key themes:
- Improving the wellbeing of Arun
 - Delivering the right homes in the right place
 - Supporting our environment to support us
 - Fulfilling Arun's economic potential
- 4.4. The Capital Strategy is a 'living document' and will be periodically updated to reflect changing local circumstances and other significant developments. The last update was presented to this committee on 7 March 2023. The aim is to drive the authority's capital investment ambition, ensuring expenditure, financing and treasury management are appropriately aligned and managed to support the Corporate Plan priorities whilst also enabling sustainable, long-term delivery of services. The strategy therefore outlines several key objectives, and how they will be achieved.
- 4.5. The Capital Strategy 2025/26 to 2029/30 is included in Appendix A.

5. CONSULTATION

- 5.1. The only other option is to retain the existing capital strategy document, which runs from 2023/24 to 2026/27.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. The only available option is to recommend the Capital Strategy be recommended for approval by Full Council.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1. The adoption of the Capital Strategy by Full Council is a requirement of the Chartered Institute of Public Finance and Accountancy Prudential Code. It provides the framework within which capital expenditure decisions can be made. The Group Head of Finance & Section 151 Officer has reviewed the strategy and considers it to be prudential, sustainable and affordable within the risk framework of the council.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. All capital projects are susceptible to overspend and over-run. Adequate monitoring is required to reduce the risk.
- 8.2. External factors can cause issues with such projects. Availability of contractors, materials and adverse weather can cause delay in delivery of projects.
- 8.3. Capital expenditure usually results in revenue expenditure being incurred. It is important that this is recognised when considering capital projects and the revenue implications of capital spending are noted.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1. The CIPFA codes support the provisions of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 and support strategic planning for capital investment at a local level. Compliance with both codes is a statutory requirement for local authorities.

10. HUMAN RESOURCES IMPACT

- 10.1. There are no direct implications arising from this report although future capital schemes may well require staff resources.

11. HEALTH & SAFETY IMPACT

- 11.1. There are no direct implications.

12. PROPERTY & ESTATES IMPACT

- 12.1. There are no direct implications arising from this report although future capital schemes may well be impacted by the aims and objectives of a future Property Strategy and the outcomes of the Asset Review working group.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 13.1. There are no direct implications.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1. There are no direct implications arising from this report although future capital investment may be required if the Council is to deliver its Climate Change objectives. No projects for future delivery have yet been identified.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1. There are no direct implications.

16. HUMAN RIGHTS IMPACT

16.1. There are no direct implications.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. There are no direct implications.

CONTACT OFFICER:

Name: Antony Baden

Job Title: Group Head of Finance and Section 151 Officer

Contact Number: 01903 737568

BACKGROUND DOCUMENTS:

The Prudential Code for Capital Finance in Local Authorities (2021)

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Capital Strategy 2023/24 to 2026/27 – Policy & Finance Committee – 7 March 2023

[Capital Strategy 2023/24 to 2026/27 - Report](#)

[Appendix – The Capital Strategy](#)