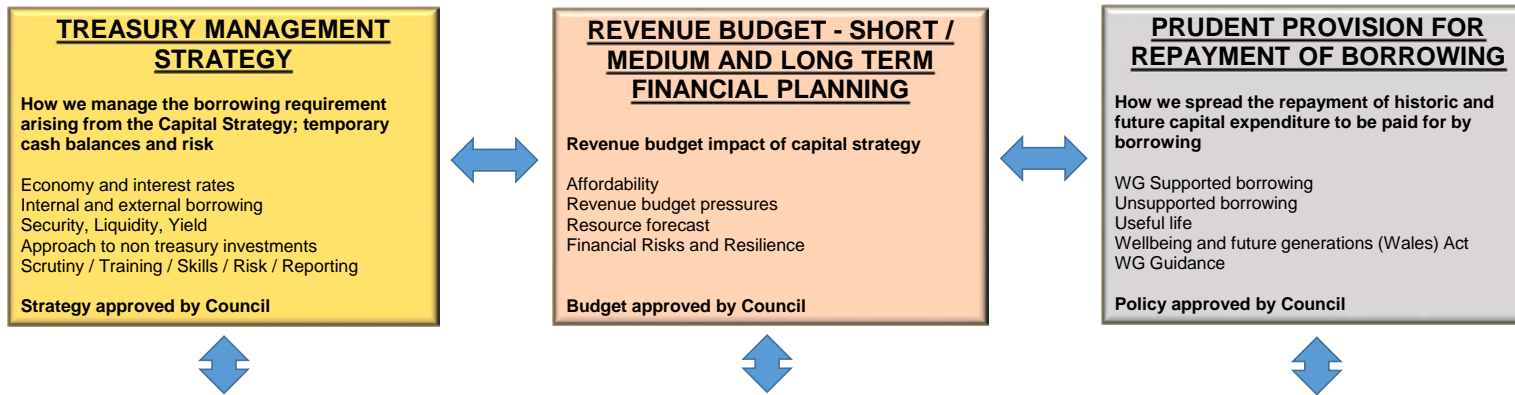


# Capital Strategy as part of Council's Budget Strategy



## **CAPITAL STRATEGY**

<b><u>Risk</u></b>	<b><u>Governance</u></b>	<b><u>Prudential Code</u></b>	<b><u>Strategy</u></b>	<b><u>Process</u></b>
<ul style="list-style-type: none"> <li>Effective due diligence</li> <li>Defining risk appetite</li> <li>Approach to commercial investment</li> <li>Proportionality of income from commercial investment</li> <li>Financial Guarantees &amp; other long term liabilities</li> <li>Approach to invest to save - Exposure / Restrictions / Limits</li> </ul>	<ul style="list-style-type: none"> <li>Programme approval, monitoring, reporting and revision</li> <li>Outcomes and measurement</li> <li>Capitalisation policies</li> <li>Capital Finance and accounting regulations compliance</li> <li>Finance &amp; Contract Procedure rules compliance</li> <li>Wellbeing and future generations (Wales) Act</li> <li>Restrictions or limits on expenditure</li> <li>Accountability</li> </ul>	<ul style="list-style-type: none"> <li>Affordability - Indicators</li> <li>Prudence - Indicators</li> <li>Sustainability - Indicators</li> <li>Exploring alternative sources of capital funding; timing and certainty</li> <li>Asset life of expenditure</li> <li>Revenue implications of new schemes (Operating and financing)</li> <li>Prioritisation for use of borrowing</li> <li>Approach to invest to save - Restrictions / Limits</li> </ul>	<ul style="list-style-type: none"> <li>Council strategic and citywide objectives</li> <li>External influences - WG, Economic, Regional working</li> <li>Asset Management Plans - Stewardship of assets</li> <li>Effective asset utilisation / disposal strategy</li> <li>Approach to earmarking of capital receipts</li> <li>Approach to working with external partners for benefit of residents</li> <li>Longer term approach</li> </ul>	<ul style="list-style-type: none"> <li>Option appraisal</li> <li>Prioritisation of limited resources</li> <li>Challenge / Review</li> <li>Procurement and value for money</li> <li>Delivery mechanism</li> <li>Capacity / skills to deliver investment plans</li> <li>Avoiding optimism bias to reduce slippage; avoid cost increase</li> <li>Assessment of business cases</li> </ul>

**Specific approval of Capital Strategy by Council as part of the Budget**

**S151 Officer to report explicitly on affordability and risk associated with the Capital Strategy. Where appropriate have access to specialised advice to enable them to reach their conclusions**