



Report to Policy Committee

Author/Lead Officer of Report: Philip Gregory,
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(S151 Officer)

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Report of: *Director of Finance and Commercial Services*

Report to: *Finance Committee*

Date of Decision: *23 January 2024*

Subject: *Local Authority Capital Flexibilities Consultation*

| | | |
|--|---|--|
| Type of Equality Impact Assessment (EIA) undertaken | Initial <input type="checkbox"/> | Full <input type="checkbox"/> |
| Insert EIA reference number and attach EIA | | |
| Has appropriate consultation/engagement taken place? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| Has a Climate Impact Assessment (CIA) been undertaken? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Does the report contain confidential or exempt information? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- | | |
| <i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i> | | |

Purpose of Report:

This report provides a draft consultation response to the Department for Levelling Up, Housing and Communities (DLUHC) call for views on new local authority capital flexibilities.

Recommendations:

- (i) That Committee approve the proposed response to the call for views on new local authority flexibilities for submission to DLUHC.

Background Papers:

None.

| Lead Officer to complete:- | | |
|---|---|---|
| 1 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed. | Finance: <i>Matthew Ardern and Phil Moorcroft</i> |
| | | Legal: <i>David Hollis</i> |
| | | Equalities & Consultation: <i>N/A</i> |
| | | Climate: <i>N/A</i> |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> | | |
| 2 | SLB member who approved submission: | <i>Philip Gregory</i> |
| 3 | Committee Chair consulted: | <i>Cllr Zahira Naz</i> |
| 4 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. | |
| | Lead Officer Name: <i>Philip Gregory</i> | Job Title: <i>Director of Finance and Commercial Services</i> |
| | Date: <i>19 January 2024</i> | |

1. PROPOSAL

1.1 The Department for Levelling Up, Housing and Communities (DLUHC) launched a call for views on proposed changes to capital finance flexibilities on 21 December 2023 with a closing date for responses of 31 January 2024.

1.2 The Council constitution reserves the following to Policy Committees:

Agreeing the Council's response to consultation by Government or other external agencies where this relates to proposed policy changes which the Chair of the Committee or of the Strategy and Resources Policy Committee consider to be significant.

1.3 The proposed changes to the existing capital finance flexibilities are considered to be significant and the draft consultation response is included in Appendix 1 to the report. The Council is not required to submit a response.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 The proposed changes to capital finance flexibilities would provide the Council greater flexibility on the use of capital receipts and funding for invest-to-save projects which could be incorporated into the Medium Term Financial Strategy of the Council if DLUHC take the proposals forward following consultation.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 This is a technical consultation from DLUHC that does not require public consultation.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 It is the responsibility of DLUHC to ensure that the proposals take into account any equality implications as a result of changes to Government policy.

4.2 Financial and Commercial Implications

4.2.1 Any implication for the Council are included in the report and supporting Appendix.

4.3 Legal Implications

4.3.1 There are no specific legal implications arising from this consultation.

4.4 Climate Implications

4.4.1 There are no specific climate implications arising from this consultation.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The Council is not required to submit a response to this consultation. An alternative option to the recommendation would be to not submit a response. The proposal from DLUHC includes significant changes to the capital financing regime that the Council operates within and this alternative option was rejected so that the views of the Council can be submitted to Government.

6. REASONS FOR RECOMMENDATIONS

6.1 The content of this consultation represents a significant change in Government policy and, in accordance with the Council Constitution, members are asked to approve the consultation response.