

# Central Bedfordshire Council

Executive

5 February 2019

## Capital Strategy 2019-20

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**Report of:** Cllr Richard Wenham, Deputy Leader and Executive Member for Resources  
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**Responsible Director:** Charles Warboys, Director of Resources  
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**This report relates to a Key Decision**

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### Purpose of this report

The purpose of this report is to seek Executive agreement to the Capital Strategy for 2019/20 to facilitate effective financial management and planning.

### RECOMMENDATIONS

The Executive is asked to:

1. **Recommend to Council that the Capital Strategy for 2019/20 be approved.**

### Overview and Scrutiny Comments/Recommendations

1. The Corporate Resources Overview and Scrutiny Committee considered the Capital Strategy at its meeting on 31<sup>st</sup> January 2019 and the Executive will receive a verbal update of any comments or recommendations from that meeting.

### Issues

2. As a new requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Prudential Code for Capital Finance in Local Authorities (2017 Edition)*, the Council is required to approve a Capital Strategy for the forthcoming financial year.

3. This Strategy is a high-level summary of the approach to longer term capital investment in the future of Central Bedfordshire. It guides the development of service capital plans, and sets out the policies and practices that the Council uses to establish, monitor and manage its Capital Programme, in line with the Medium Term Financial Plan (MTFP).
4. It outlines how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
5. Subject to agreement by the Executive Committee, this report will be submitted for approval by Council on 21<sup>st</sup> February 2019. In line with local arrangements which require the Corporate Resources Overview and Scrutiny Committee to scrutinise the Treasury Management Policy, Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Policy on an annual basis, this new Capital Strategy will follow the same route. The Strategy document is presented to the Executive for recommendation to Council.

### **Reason for Decision**

6. To recommend to Council the Capital Strategy for 2019/20, providing an effective capital framework for the Council which is underpinned by the principles of prudence, affordability and sustainability.

### **Council Priorities**

7. As a key part of the Council's overall financial plan, the Capital Strategy supports the delivery of all the organisation's priorities.

### **Corporate Implications**

### **Legal Implications**

8. The Council's capital activities are regulated by statute, professional codes and official guidance. The Local Government Act 2003 (as amended) (the Act) provides the powers to borrow and invest as well as providing controls and limits. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended), develops the controls and powers within the Act. The Regulations require the Council to undertake any borrowing activity with regard to the CIPFA *Prudential Code for Capital Finance in Local Authorities (2017 Edition)*. As a new requirement of this *Prudential Code*, the Council is required to approve a Capital Strategy for the forthcoming financial year.

### **Financial and Risk Implications**

9. The Capital Strategy sets out the financial and risk implications within the context of the Council's Medium Term Financial Plan (MTFP).

## **Equalities Implications**

10. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Capital Strategy 2019/20 sets out a range of capital investment relating to regeneration, affordable housing, school places, integrated health and care hubs, independent living and highways improvement, all of which will have a positive impact in terms of improving equality outcomes.

## **Conclusion and next Steps**

11. The Corporate Resources Overview and Scrutiny Committee considered the Capital Strategy at its meeting on 31<sup>st</sup> January 2019 and the Executive will receive a verbal update of any comments or recommendations from that meeting.

## **Appendices**

A – Capital Strategy

A1 – Capital Programme Detail 2019-20 to 2022/23 (General Fund)

A2 – Capital Programme Detail 2019-20 to 2022/23 (HRA)

B – Overview and Scrutiny Comments

## **Background Papers**

None

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