
CAPITAL INVESTMENT STRATEGY 2019/20

Report by the Chief Financial Officer

SCOTTISH BORDERS COUNCIL

28 FEBRUARY 2019

1 PURPOSE AND SUMMARY

- 1.1 This report presents Scottish Borders Council's first Capital Investment Strategy (CIS) supporting the 2019/20 financial planning process.**
- 1.2 The Council recognises that the requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils published a Capital Investment Strategy for 2018/19. The Code recognised the short timescale available for the production of this document and therefore allowed deferral of this development to 2019/20. Consequently Scottish Borders Council has produced this document for 2019/20.
- 1.3 The Capital Investment Strategy is designed to highlight the capital investment priorities and explain how these priorities will assist with the delivery of the Council's Strategic Corporate Plan 2018 -2023. As such the CIS is structured to reflect the themes of this Corporate Plan. The document should be read in conjunction with the Council's 10 year capital investment plan 2019 – 2029 and the Treasury Strategy which provides detail of the Council's Prudential Indicators and sets out how the Capital Investment plans (CIP) of the Council will be financed.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council approves the Capital Investment Strategy as part of the suite of 2019/20 budget papers on the Council agenda.**

3 BACKGROUND

- 3.1 As part of the financial planning process for 2019/20, the Council committed to producing a Capital Investment Strategy in line with the requirements of the Prudential Code.
- 3.2 The Council recognises that the requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils published a Capital Investment Strategy for 2018/19. The Code recognised the short timescale available for the production of this document and therefore allowed deferral of this development to 2019/20. Consequently Scottish Borders Council has produced this document for 2019/20.

4 CAPITAL INVESTMENT STRATEGY

- 4.1 As per the CIPFA Prudential Code 2017 the purpose of a Capital Investment Strategy is:

*"In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy that sets out the **long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.**"*

*"While indicators for sustainability are required to be set over a minimum three year rolling period, indicators should be set in line with a capital strategy and asset management plan that is **sustainable over the longer term.**"*

Prudential Code (CIPFA, 2017)

- 4.2 The Capital Investment Strategy is designed to highlight the capital investment priorities and explain how these priorities will assist with the delivery of the Council's Strategic Corporate Plan 2018 -2023. As such the CIS is structured to reflect the themes of this Corporate Plan. The document should be read in conjunction with the Council's 10 year capital investment plan 2019 – 2029 and the Treasury Strategy which provides detail of the Council's Prudential Indicators and sets out how the Capital Investment plans (CIP) of the Council will be financed.
- 4.3 The Capital Investment Strategy has been compiled through input from all relevant Council services including service input, the property and asset team and Finance.

5 IMPLICATIONS

5.1 Financial

There are no direct financial implications resulting from this report.

5.2 Risk and Mitigations

There are no risks, issues or mitigating actions associated with this report.

5.3 Equalities

There are no equalities issues resulting from this report.

5.4 **Acting Sustainably**

There are no economic, social or environmental effects from this report.

5.5 **Carbon Management**

There are no effects on carbon emissions resulting from this report.

5.6 **Rural Proofing**

This report contains no implications that will compromise the Council's rural proofing policy.

5.7 **Changes to the Scheme of Administration or Scheme of Delegation**

This report does not result in any changes to the Scheme of Administration or the Scheme of Delegation.

6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments have been incorporated into the report.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers: N/A

Previous Minute Reference:

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