
CAPITAL INVESTMENT STRATEGY 2022/23

Report by Director, Finance & Corporate Governance
SCOTTISH BORDERS COUNCIL

22 FEBRUARY 2022

1 PURPOSE AND SUMMARY

- 1.1 This report presents Scottish Borders Council's updated Capital Investment Strategy (CIS) supporting the 2022/23 financial planning process.**
- 1.2 The requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils publish a Capital Investment Strategy to support their Capital Plan. This strategy therefore supports the strategic investment priorities of Scottish Borders Council through the Capital Plan.
- 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 and the new Council Plan 2022-23, which is being presented to Council elsewhere on this agenda. As such the CIS is structured to reflect the themes of this Council Plan. The document should be read in conjunction with the Council's 10 year capital investment plan 2022 – 2032 and the Treasury Strategy which provides detail of the Council's Prudential Indicators and sets out how the Capital Investment plans 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 2022/23 budget papers on the Council agenda.**

3 BACKGROUND

- 3.1 As part of the financial planning process for 2022/23, the Council has updated and developed its Capital Investment Strategy in line with the requirements of the Prudential Code.
- 3.2 The requirements of the Prudential Code were updated in December 2017 including the recommendation that Councils published a Capital Investment Strategy to support their Capital Plan. Scottish Borders Council has updated and developed the existing strategy to support the strategic investment priorities of the Council through the Capital Plan.

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 and the new Council Plan 2022/23, which is being presented to Council elsewhere on this agenda. 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 2022 – 2032 and the Treasury Strategy which provides detail of the Council’s Prudential Indicators and sets out how the Capital Investment plans of the Council will be financed.
- 4.3 The key updates to the Capital Investment Strategy from 2021/22 are:
- Council Plan –a refreshed Council Plan 2022-23 is being presented elsewhere on this agenda for approval. The Capital Investment Strategy has been structured using the six themes from the Council Plan demonstrating how our investment priorities will align with their delivery. These themes are:
 - Clean, green future – we tackle climate change and we value, protect and enhance our local environment and nature, so that the Scottish Borders can be enjoyed by future generations
 - Fulfilling our potential - From child to adult, everyone in the Scottish Borders has access to high quality education and the opportunities they need to fulfil their potential

- Strong inclusive economy, transport and infrastructure – built upon strong and effective physical and digital connections and infrastructure, the benefits of a productive and sustainable economy are widely shared, enabling us to fulfil our potential in the Scottish Borders and attract others to live, work and visit
 - Empowered, vibrant communities – the Scottish Borders has thriving, inclusive communities where people support each other and take responsibility for their local area
 - Good health and wellbeing – the people of the Scottish Borders have the opportunities and are supported to take control of their health and wellbeing, enjoying a high quality of life
 - Working together improving lives – working together, an effective and efficient Council delivers for its communities and the Scottish Borders
- Updates to the Climate change section to update on the development of the Climate Change Route Map
 - Updates to the Strategic Asset Management section outlining the development of an Estates Strategy which will provide a framework for how we manage and maintain our estate

4.4 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 wide ranging risks associated with the projects and programmes described in the Capital Investment Strategy. These are managed by the relevant department and/or project team in line with the Corporate Risk Management Policy and Framework.

As described in detail within the Strategy, oversight is provided by having appropriate governance in place, which includes regular reporting to ensure adequate scrutiny is provided throughout the lifetime of each project.

The Council's Treasury Management Strategy ensures that the Council operates within the prudent and affordable limits of the CIPFA Code (2017), whilst the CIPFA Prudential Code gives further assurance that the Council invests within the limitations of legislative controls. These controls reduce the risks associated with the Capital Investment Strategy and are audited as part of regular internal audit programmes of work, providing further assurance.

Contingency is provided by the Emergency and Unplanned Schemes budget. It should be noted that this contingency is sufficient to cover a limited proportion of risks should they arise.

5.3 **Integrated Impact Assessment**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

5.4 **Sustainable Development Goals**

There are no direct economic, social or environmental issues with this report although there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

5.5 **Climate Change**

There are no direct carbon emissions impacts as a result of the Capital Investment Strategy report; however, there may be within individual projects and these will be identified and addressed as appropriate as part of their specific governance arrangements.

5.6 **Rural Proofing**

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

5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

5.8 **Changes to 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/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and comments received have been incorporated into this final report.

Approved by

David Robertson

Signature

Director Finance & Corporate Governance

Author(s)

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Background Papers: N/A

Previous Minute Reference:

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