
CAPITAL INVESTMENT STRATEGY 2024/25

Report by Director of Finance & Procurement

SCOTTISH BORDERS COUNCIL

29 FEBRUARY 2024

1 PURPOSE AND SUMMARY

- 1.1 This report presents Scottish Borders Council's updated Capital Investment Strategy (CIS) supporting the 2024/25 financial planning process.**
- 1.2 The requirements of the Prudential Code were updated in December 2017 and included the recommendation that Councils publish a Capital Investment Strategy to support their Capital Plan. This strategy defines the strategic investment priorities of Scottish Borders Council, aligned to the Councils Vision for 2033 and guides decisions on Capital investment proposals.
- 1.3 The Capital Investment Strategy highlights the capital investment priorities and explains how these priorities will assist with the delivery of the Council Plan, which is being presented to Council elsewhere on this agenda. As such the CIS is structured to reflect the themes of the Council Plan. The document should be read in conjunction with the Council's 10-year capital investment plan 2024 – 2034 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 2024/25 budget papers on the Council agenda.**

3 BACKGROUND

- 3.1 As part of the financial planning process for 2024/25, the Council has updated and developed its Capital Investment Strategy.
- 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 Plan, 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 2024 – 2034 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 2024/25 are:
- Updates to the Place section summarising the development of a place-based strategy which will provide a framework to underpin place-based decision making;
 - Removal of Global Pandemic section;
 - Updates to the Plant and Vehicle section to reflect current fleet summary including pool and electric vehicles;
 - Removal of Pool and Electric vehicle section as now incorporated within the Plant and Vehicle section;
 - Addition to Alternative Fuel Type section to show the types of alternative fuels being explored to reduce our emissions;
 - New section – UK Government Levelling Up Partnership (LUP) Investment – providing summary of investment package

- Replacement of Connectivity Broadband section with new Digital Transformation section which details recent digital investment including Total Mobile which has been rolled out across Adult Social Care Homecare and future digital investment plans
- Updates to the Housing Supply section outlining the Council's approach to the provision of affordable homes through the set out in the annual Strategic Housing Investment Plan (SHIP);
- Updates to the Parks and Open Spaces section to update on the programme of new and upgraded facilities in 2023/24 and 2024/25;
- Updates to the Office Accommodation section to reflect progress on refurbishment and future plans;
- New section - The Scottish Borders Council Estate - which details work to prepare an asset management plan which will include fabric condition, energy performance data and information on functional suitability of building.

4.4 The Capital Investment Strategy has been compiled with input from all relevant Council services including service input, the Property and Asset team and the Finance team.

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. An integrated Impact Assessment has been

completed for the individual projects included in the Capital Investment Programme.

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 Director of Corporate Governance, the Chief Officer Audit and Risk, the Director of People, Performance & Change, the Clerk to the Council and Corporate Communications have been consulted any comments received have been incorporated into the final report.

Approved by

Name

Title

Author(s)

| Name | Designation and Contact Number |
|---------------|---|
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Background Papers:

Previous Minute Reference:

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