

Report to Cabinet

Title:	Capital and Investment Strategy
Date:	Monday 10 December 2018
Author:	Cabinet Member for Resources
Contact officer:	Mark Preston (01296) 383107
Local members affected:	None
Portfolio areas affected:	Resources

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Council's Capital Strategy has been updated in line with the revised CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code) issued December 2017, which was also supported by guidance from the Ministry of Housing, Communities and Local Government (MHCLG) February 2018. There is a new requirement for an Investment Strategy and this has been incorporated into the Capital Strategy to create a Capital and Investment Strategy.

Recommendation

That Cabinet:

- a) Provides **COMMENTS** on the Capital and Investment Strategy;
- b) **RECOMMEND** the Capital and Investment Strategy to County Council.

A. Narrative setting out the reasons for the decision

1. The Council's Capital Strategy has been updated to reflect the December 2017 revised Prudential Code and the guidance issued by MHCLG in February 2018. This includes incorporating the new requirement for an Investment Strategy to form a Capital and Investment Strategy for the Council.

2. The Capital and Investment Strategy is required to be approved by Full Council, but approval of the Treasury Management Strategy can be delegated to a different Committee after this financial year.
3. The strategy covers all capital investments, including the acquisition of investment properties, and focuses on the delivery of local policy objectives the locally determined risk appetite.
4. The Capital and Investment Strategy is a key document given the current environment that all local authorities are operating within. There is little funding certainty from Government which puts pressure on existing assets in good order and it is important to strike an appropriate balance between revenue in capital and the short and long term requirements of the Council.
5. This is at a time when there is also the potential of a huge growth agenda and leveraging our assets in order to maximise an income stream is critically important to ensure that we have the resources to support growth and protect front line services. There is an important balance between public accountability and commercial confidentiality in this climate and this strategy goes a long way to set out the Council's priorities and aspirations.
6. There is a major new section on commercial investments in the strategy in order to meet the new Investment Strategy requirements. The service/portfolio specific priorities and requirements are included in a separate appendix to the strategy and is necessarily draft as it reflects the current draft capital programme, which is currently going through the formal Medium Term Financial Plan (MTFP) approval process.
7. The MRP section and capital prudential indicators have been brought in from the Treasury Management Strategy so that all capital related elements are contained within the Capital and Investment Strategy.
8. Some draft performance indicators have been included as required by the MHCLG guidance.

B. Other options available, and their pros and cons

9. None

C. Resource implications

10. None.

D. Value for Money (VfM) Self Assessment

11. N/A.

E. Legal implications

12. There are no legal implications from this strategy.

F. Property implications

13. None.

G. Unitary Council

14. This Capital and Investment Strategy will need to be consolidated with the Capital and Investment requirements of the District Council activities for the new Unitary Council in time for the 2020/21 financial year. The opportunities for property rationalisation are mentioned in section 2.4 of the strategy attached.

H. Other implications/issues

15. None.

I. Feedback from consultation, Local Area Forums and Local Member views

16. The strategy reflects the views of the Finance, Performance and Resources Select Committee.

J. Communication issues

17. None.

K. Progress Monitoring

18. None.

L. Review

19. CIPFA have stated that they will be issuing further guidance on local authority Property Investment, and the strategy will be reviewed in light of that guidance.

Background Papers

Finance, Performance and Resources Select Committee Papers 13th November 2018

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on Friday 07 December 2018. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk