



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	18 November
OFFICER	Mark Hemming, Director of Finance and Assets
LEAD MEMBER	Councillor David Hopkins
SUBJECT OF THE REPORT	Capital Strategy
EXECUTIVE SUMMARY	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (2017) includes a new requirement for local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with the Service's objectives and take account of stewardship, value for money, prudence, sustainability and affordability.</p> <p>This Strategy outlines the Authority's approach to capital investment ensuring it is in line with its corporate priorities and objectives set out in the Public Safety Plan. It provides a strategic overview of how capital expenditure; capital financing and treasury management activity contribute to the delivery of outcomes, as well as overview of the management of risk and future financial sustainability.</p> <p>Progress against this strategy will be reviewed annually and updated accordingly.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1 the Capital Strategy is recommended to the Authority for approval. 2 the Authority add, in its Terms of Reference, determining the Capital Strategy as set out at Appendix C.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from this Strategy. The Strategy supports the principles of value for money, prudence, sustainability and affordability.

LEGAL IMPLICATIONS	<p>Part 1 of the Local Government Act 2003 sets the framework for local authority capital finance. This capital finance framework is supplemented by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and by codes of practice and guidance (as amended or reissued from time to time) to which the Authority is required to have regard when carrying out its capital finance functions. The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2017 Edition has quasi-legislative force.</p> <p>The Prudential Code states (§ E8), '[Setting and revising of a capital strategy and prudential indicators] will be done by the same body that takes the decisions for the local authority's budget – ie usually it will be the full council for the authority concerned. The chief finance officer will be responsible for ensuring that all matters required to be taken into account are reported to the decision-making body for consideration, and for establishing procedures to monitor performance.'</p> <p>The Prudential Code states (§18) 'Local authorities may determine the capital strategy, capital programme and prudential indicators ahead of the revenue budget. The requirements of the Prudential Code are met provided that explicit reference to the formal decision is made within the revenue budget report.'</p>
CONSISTENCY WITH THE PRINCIPLES OF THE DUTY TO COLLABORATE	All opportunities to collaborate on capital projects will be considered in line with the duty to collaborate under the Policing and Crime Act 2017.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) 2017 Edition
APPENDICES	<p>Appendix A – Capital Strategy</p> <p>Appendix B – Capital Bid Template</p> <p>Appendix C – Fire Authority Terms of Reference (amended in bold)</p> <p>Appendix D – List of Red Fleet Appliances</p>

Capital Strategy

TIME REQUIRED	10 minutes
REPORT ORIGINATOR AND CONTACT	Asif Hussain ahussain@bucksfire.gov.uk