

Appendix 1

Central Bedfordshire Council

18 February 2025

Executive

Draft Capital Strategy 2025/26

Report of:

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Responsible Director:

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This report relates to a decision that is Key

Purpose of this report

The purpose of this report is to seek Executive agreement to the Capital Strategy for 2025/26 to facilitate effective financial management and planning.

RECOMMENDATION

The Executive is asked to:

1. Recommend to Full Council that the Capital Strategy for 2025/26 be approved.

Overview and Scrutiny Comments/Recommendations

1. The Corporate Resources Overview and Scrutiny Committee considered the Capital Strategy at its meeting on 9 January 2025 and the Executive will receive a verbal update of any comments or recommendations from that meeting.

Executive Summary

2. To comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Prudential Code for Capital Finance in Local Authorities (2021 Edition)*, the Council is required to approve a Capital Strategy ("the Strategy") for the forthcoming financial year.

Main body of the report

3. This Strategy is a high-level summary of the Council's approach to managing its longer-term capital investment in the future of Central Bedfordshire. It guides the development of service capital plans and sets out the policies and practices that the Council uses to establish, monitor and manage its Capital Programme, in line with the Medium Term Financial Plan (MTFP).
4. The Strategy outlines how capital spending, capital financing, and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
5. Subject to agreement by the Executive, this report will be submitted for approval by Full Council on 27 February 2025. In line with local arrangements which require the Corporate Resources Overview and Scrutiny Committee to scrutinise the Treasury Management Policy, Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision Statement on an annual basis, this Capital Strategy will follow the same route. The Strategy document is presented to the Executive for recommendation to Council.

Council priorities

6. As a key part of the Council's overall financial plan, the Capital Strategy supports the delivery of the Council's priorities.

Implications

Legal Implications

7. Section 1 of the Local Government Act 2003 ("the Act") provides for a local authority to borrow for any purposes relevant to its functions or for "the prudent management of its financial affairs". Section 3 of the 2003 Act imposes a duty on local authorities to determine and keep under review how much money it can afford to borrow.
8. The 2003 Act emphasises the importance of sound and effective financial management. In relation to capital financing, there is a statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment.
9. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 provides operational detail and specifically states that Authorities must have regard to CIPFA's Prudential Code when setting and reviewing borrowing limits. Local Authorities must also have regard to the Investment Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003.
10. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities (2021 Edition), requires local authorities to approve a Capital Strategy for the forthcoming financial year.
11. This report asks the Executive to recommend to Full Council that the Capital Strategy 2025/26 be approved.

12. Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and the Council's Constitution, the approval of the Capital Strategy is a decision for Full Council.

Financial and Risk Implications

13. The Council's Capital Strategy sets out the financial and risk implications within the context of the Council's MTFP.

Equalities and Fairness Implications

14. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

15. The Capital Strategy 2025/26 sets out a range of capital investment relating to regeneration, affordable housing, school places, care homes, a community wellbeing hub, independent living, leisure facilities and highway improvements, all of which have a positive impact in terms of improving equality outcomes.

16. Where appropriate, Equalities Impact Assessments and additional consultation will be carried out for individual proposals.

Biodiversity and Sustainability Implications

17. There are several broad outcomes which capital investment plays a role in delivering that either directly contribute, or have scope to contribute, to the Council's wider sustainability commitments as laid out in the adopted Sustainability Plan as well as the areas of focus defined by the United Nations Sustainable Development Goals (SDGs), which underpin the Council's approach to sustainability. These include:

- Improved town centres and facilities
- Great quality, appropriate and affordable housing
- Great infrastructure, including transport and Broadband
- Improved roads and pavements, parks, and leisure
- Educational success
- Allowing people to live independently or in suitable specialist accommodation
- Operational efficiency.

18. As far as practicable the Council will work to ensure that opportunities to make the outputs of the Capital Strategy as sustainable as possible will be taken. This will be underpinned by the range of practical actions detailed in the Council's adopted Sustainability Plan. An overview of this can be found in the annual progress reports which are available on the Council's website at 'Climate change – tackling it and our strategy | Central Bedfordshire Council'.

Conclusion and next steps

19. The Corporate Resources Overview and Scrutiny Committee will consider the Capital Strategy at its meeting on 9 January 2025 and the Executive will receive a verbal update of any comments or recommendations from that meeting.

Appendices

Appendix A Capital Strategy 2025-26

Appendix B Capital Programme Detail 2025-26 to 2028-29 (General Fund)

Appendix C Capital Programme Detail 2025-26 to 2028-29 (HRA)

Background Papers

None

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