



**RECORD OF DECISION**

**TITLE: Capital Strategy 2021/22**

**Ref: PCC/D/2021/17**

**EXECUTIVE SUMMARY**

The Prudential Code 2017 sets out the requirement for a capital strategy to be published. The Capital Strategy provides information on the planned capital expenditure for 2021/22 and the Medium Term Capital Programme. It considers the governance arrangements for capital projects and the capital programme, the financing of capital expenditure, the plans to repay and replace debt finance and plans for asset disposals and capital receipts. It outlines the estates management strategy and treasury management, borrowing and investment strategies. It sets out investments held for service purposes and the commercial activities undertaken by the PCC. It states, the long term liabilities and their governance, most notably the Pension Funds and the implications for the revenue budget.

**PROPOSAL**

That the Commissioner approves the Capital Strategy 2021/22.

**APPROVAL OF  
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed

## PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

### SUPPORTING REPORT

CIPFA in its revised Prudential Code 2017 set out the requirement for a capital strategy to be formally reported and published. The Chief Finance Officer needs to report explicitly on the risks associated with the capital strategy. This requirement began in 2019/20. This Capital Strategy 2021/22 sets out the long term context for the capital and investment decisions the PCC makes, focussing on the process and ensures that the PCC can demonstrate that he has considered:

- Capital expenditure
- Debt and Borrowing and treasury management
- Commercial activity
- Long term liability
- Knowledge and skills

The CIPFA Prudential Code has at its centre the belief that all decisions should be affordable, prudent and sustainable. The development of the Capital strategy reinforces these principles and strengthens the Code. It reflects the different financial landscape in which local authorities and PCCs now operate and the commercial pressures this brings on investment decisions.

This Capital Strategy reflects the 2021/22 Revenue Budget, Capital Programme and Medium Term Financial Plan agreed by the PCC in February 2021 and the Treasury Management Strategy approved by the PCC in March 2021.

### STRATEGIC CONSIDERATIONS

This decision supports the following element(s) of the Safer West Mercia Plan.

- Putting Victims and Survivors First
- Building a More Secure West Mercia
- Reforming West Mercia
- Reassuring West Mercia's Communities

The decision supports this/ these objective(s) through the following:

- By investing in the ICT infrastructure thereby improving efficiency, effectiveness and economy
- By establishing and financing a fit for purpose modern estate thereby improving operational effectiveness and efficiency
- By ensuring that these proposals can be accommodated within available resources

## **FINANCIAL COMMENTS**

The Capital Strategy sets out the planned capital programme of £66.6m from 2021/22 to 2023/24 and its financing. It identifies the impact on the revenue budget, showing an increase in financing costs of £3.4m, from £5.2m in 2021/22 to £8.6m in 2023/24

The Capital Strategy sets out the long term context in which capital and investment decisions are made and identifies the associated risks

## **TREASURER COMMENTS**

In the Capital Strategy, the Treasurer states that the proposed capital programme is prudent, affordable and sustainable because of the historically and comparatively low levels of investment, the need for replacement and refurbishment given the age and condition of the estate and ICT infrastructure, the planned programme for the disposal of assets and the opportunities the programme presents to secure better value for money.

## **LEGAL CONSIDERATIONS**

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes: entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land)

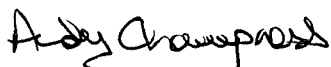
## **PUBLIC ACCESS TO INFORMATION**

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in a separate Part 2 report.

## **OFFICER APPROVAL**

**Chief Executive Officer**

Signature



Date 22<sup>nd</sup> April 2021