STAFFORDSHIRE COMMISSIONER
Police | Fire and Rescue | Crime

Item No. 7ii ETAP Agenda

Report to the Police Fire and Crime Panel

10 February 2025

Fire Capital Strategy and Capital Programme 2025/26 to 2027/28 (Incl. Minimum Revenue Provision Policy)

Report of the Staffordshire Commissioner

INTRODUCTION

As part of the overall financial strategy for the Staffordshire Commissioner Fire and Rescue Authority a three year Capital Programme has been prepared. This report schedules the proposed investment programme for 2025/26 to 2027/28, and presents the indicators required within the current Prudential Code. This all forms part of the Capital Strategy for the Staffordshire Commissioner Fire and Rescue Authority for the next three years.

The Prudential Code requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning. The Capital Strategy is part of the Authority's sound medium term financial planning process, ensuring there is a clear strategy supporting the next three years of capital investment.

The Capital Strategy sets out how the long-term context in which capital investment and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes in line with the newly published Corporate Risk Management Plan. It also demonstrates that the Authority takes capital and investment decisions in line with Service objectives and properly takes account of stewardship, value for money, prudence, sustainability and importantly affordability.

This report also reviews the approach that the Authority has taken during the last few years, successfully managing the capital programme, reducing future capital financing requirements, and through the repayment of long term loans reducing interest payments. However, the capital financing requirement for the Authority is now forecast to increase into the medium term.

This report should also be considered alongside the Treasury Management Strategy, with both reports covering the reporting requirements of CIFPA's Prudential Code and Treasury Management in the Public Sector.

RECOMMENDATIONS

That the Police Fire and Crime Panel note:

a) the three year Capital Programme for 2025/26 to 2027/28 as set out in Appendix 1,

b) the detailed capital programme for 2025/26 as set out within Appendix 2

c) the Capital Strategy

d) the Prudential Indicators that are set out within Appendix 3 including the Capital Financing Requirement for the three year period

e) that the funding of capital expenditure from Reserves for the period 2025/26, 2026/27 and 2027/28 is in line with the Reserves Strategy

f) the Minimum Revenue Provision (MRP) policy statement incorporated within this report

g) the capital programme and capital strategy supports the main Budget and MTFS paper

Ben Adams
Staffordshire Commissioner

Contact Officer: David Greensmith
Telephone: 01785 898690
Email: david.greensmith@staffordshirefire.gov.uk

1. Background

1.1 The Capital Strategy forms a key part of the Staffordshire Commissioner Fire and Rescue Authority's overall Corporate Planning Framework. It provides a mechanism by which the Commissioner's capital investment and financing decisions can be aligned over the medium term planning horizon.

1.2 The Strategy sets the framework for all aspects of the Commissioner's Fire and Rescue capital and investment expenditure; including planning, outcomes, prioritisation, management, funding and repayment.

1.3 There are four main areas of spend which feature within the Capital Programme;

- Estates and Building Works
- Operational Equipment
- Appliances and Vehicles
- Information Technology

2. Objectives

2.1 The key aims of the Capital Strategy are to:

- provide a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment is targeted at meeting the vision, aims and priorities of the Authority
- set out how the Authority identifies, programmes and prioritises capital requirements and proposals
- consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment
- identify the resources available for capital investment over the MTFS planning period;
- ensure the strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return
- establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment are all in line with the established Capital Framework
- deliver projects that focus on delivering the long term benefits to the Authority and the communities served within Staffordshire and Stoke on Trent.
- Consider how projects are aligned to and support the environmental and sustainability strategy

3. Governance of the Capital Programme

3.1 A governance process is clearly established within the Service and Authority and will continue to be adhered to, will follow standing orders and financial regulations to ensure that available resources are allocated optimally and deliver value for money, and that capital programme planning is determined in parallel with the Service and revenue budget planning process within the framework of the MTFS. These include:

- The Strategic Governance Board (SGB) which is ultimately responsible for approving the Capital Strategy for investment and the Capital Programme for approving changes to the programme within financial regulations and for the approval of business case submissions.
- The Ethics, Transparency and Audit Panel (ETAP) which is responsible for scrutiny of the MTFS documents and the capital budget monitoring reports and can make recommendations to the Strategic Governance Board (SGB).
- The Capital Review Group has been established for a number of years and provides detailed scrutiny for all capital spend proposals and monitors delivery of the current year's programme and develops a rolling three year programme. The group consists of key stakeholders from within the Service and holds responsibility for the delivery of the Service's capital programme and has clear Terms of Reference in place. Actions from this group are reviewed by the Service Delivery Board.
- A new capital framework was introduced by the Authority on 1 October 2023, supported by the Commissioner and Chief Fire Officer. The framework complements the Corporate Governance Framework and gives an overview of the capital authorisation process.

3.2 For new major projects and programmes an outline business case will be submitted through the governance arrangements that needs to include the capital investment requirements, repayment mechanisms, revenue impacts of capital spend and also lifetime costing if applicable in line with the requirements of the updated capital framework.

3.3 For smaller areas of capital spend (based upon a rolling programme of requirements) the proposals may be submitted though the Capital Review Group and approved by the Staffordshire Commissioner Fire and Rescue Authority through the Strategic Governance Board. This is recognising that the programme consists of smaller spend areas that do not require the production of a full outline business case.

3.4 The monthly Finance Report is produced and available to all staff within the Authority, in addition quarterly financial progress and monitoring reports are submitted to the Strategic Governance Board and also scrutinised by the Finance Panel which is a sub group of the Ethics, Transparency and Audit Panel (ETAP).

4. Capital Priorities

4.1 The capital strategy must recognise that the financial resources available to meet the requirements of the new Community Risk Management Plan which includes three key priority areas:

- Our People
- Our Communities
- Our Environment

The Community Risk Management Plan (CRMP) is a four-year plan that sets out priorities and approach to ensuring local communities are protected. It outlines the key challenges and risks facing communities and includes strategies to address and reduce these risks over the coming years. The Service will use available resources in prevention, protection, and emergency response to target the most vulnerable and keep Staffordshire's communities safe.

4.2 The bringing together of blue light services under a single governance route to the Staffordshire Commissioner provides opportunities to co-locate and share assets to the good of the community, delivering efficiencies and savings.

4.3 Staffordshire Fire and Rescue and Staffordshire Police will continue to build upon the collaboration that has resulted in joint response bases in Tamworth Belgrave, Hanley, Chase Terrace, Penkridge, Stone and Kinver. Uttoxeter should follow shortly followed by ongoing proposals for Kidsgrove.

4.4 The Staffordshire Commissioner Fire and Rescue Authority will seek to prioritise investment in order to deliver economy and efficiency within the Service. This prioritisation will be achieved though the robust governance arrangements discussed above.

4.5 In order to ensure that the Service is focussing on capital priorities beyond the medium term the Staffordshire Commissioner has request the development of a 10 year capital programme.

5. Funding Approach

5.1 The Staffordshire Commissioner Fire and Rescue Authority's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under The Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of The Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.

5.2 The main sources of capital funding are summarised below:

- **The use of internal cash balances**
  Interest rates on cash balances have historically remained low which has resulted in this being a more efficient use of cash to invest in the capital programme rather than taking additional external debt. Whilst the interest rate environment has

changed significantly during the last 2 years the cost of external borrowing has also increased which continues to support the use of internal cash.

The use of internal cash is an approach that has been undertaken successfully during the last few financial years.

- **The use of earmarked reserves**
  The Staffordshire Commissioner has a Reserves Strategy which includes the Earmarking of Reserves to support the capital programme. Some funding into the medium term has been identified though this approach and remains a key funding strategy.

- **The use of capital receipts**
  Disposing of surplus assets is a good way to reinvest in the capital programme. Receipts will be targeted at the shortest life assets and then their use considered widely within any flexibility allowed by the appropriate government authority. In accordance with statutory instruments capital receipts may also be used for the repayment of debt.

- **Direct revenue funding**
  Capital expenditure may be funded directly from revenue (CERA – capital expenditure charged to revenue account). In addition to specific revenue funds previously set aside, such as repairs and renewal funds, capital expenditure may be funded by specific revenue budget provision.

- **Borrowing and leasing**
  Under the Prudential Code, the Staffordshire Commissioner has discretion to undertake borrowing to fund capital projects with the full cost of that borrowing being funded from the project returns or upon agreement to include within the MTFS estimates.

This discretion is subject to complying with the Code's regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable (Local Government Act 2003). Prudential borrowing does provide an option for funding additional capital development but one which has to be funded each year from within the revenue budget or from generating additional ongoing longer term income streams.

The Staffordshire Commissioner will test the prudence of the borrowing predictions against the prudential indicators set under the Code every year as part of the MTFS process and report on progress against those indicators half yearly (see Appendix 3), in line with the Treasury Management Strategy.

This prudent approach to borrowing will continue into the medium term. However, should borrowing be required the Commissioner will continue to consider on a cautious and prudent basis as informed by a specialist team contracted from Staffordshire County Council in relation to Treasury Management who work closely with the finance team.

6. Risk Management

6.1 Risk is the threat that an event or action will adversely affect the ability to achieve a desired outcome or execute strategies successfully.

6.2 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

6.3 The Director of Finance will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.

6.4 There are many categories of risk to be mindful of; these are detailed in **Appendix 4:**

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Exchange Rate Risk
- Inflation Risk
- Legal and Regulatory Risk
- Fraud, Error and Corruption

7. Capital Programme 2025/26 to 2027/28

7.1 The summary Capital Programme for 2025/26 to 2027/28 is contained within **Appendix 1** of this report. The total proposed Capital Programme for 2025/26 is £5.8m, for 2026/27 £4.1m and for 2028/29 £3.4m.

7.2 The detailed scheme analysis supporting the programme for 2025/26 is shown within **Appendix 2**.

7.3 The Staffordshire Commissioner Fire and Rescue Authority is required to set estimates, impose limits and to report and publish actuals in line with The Prudential Code. The indicators for adoption by the Authority for 2025/26, 2026/27 and 2027/28 are set out in **Appendix 3**.

7.4 There are four main areas of spend which feature within the capital programme; Estates and Facilities which includes building and infrastructure work, Operational Equipment, Transport (appliances and vehicles) and finally Information Systems and Technology.

The four areas are discussed in more detail below.

- **Building and Infrastructure Work**

  The budget proposal for 2025/26 includes a total capital requirement of £1.4m, which consists of the following main building and infrastructure projects plus some minor works:

- Brewood - The refurbishment of the station is now anticipated to commence in 2025/26. A full business case had been approved by the Commissioner and is funded from the Authority's earmarked reserves, £0.5m. This project was originally included within the 2023/24 capital programme and the design and feasibility work has been completed however it has stalled due to significant cost escalation
- Staffordshire Fire HQ (Learning and Development), £0.15m. This is phase 3 of the capital improvement work to enhance and remodel the L&D training facilities
- Staffordshire Fire (Environmental Work), £0.3m. Including additional EV charging points for wholetime stations
- Residual Fire Station works, £0.3m. this included work at Stafford, Tutbury, Eccleshall

- **Operational Equipment**

  Total investment of £0.9m has been identified and included within the programme for 2025/26, a full list of the detailed projects is included within Appendix 2.

- **Appliances and Vehicles**

  A vehicle replacement programme of £2.3m has been included within the proposed budget for 2025/26:

  In summary the vehicle replacement programme includes the following:

  - The body build payments payments for the next 3 Pump Rescue Ladders (PRL's), £0.8m (note these 5 vehicles identified above are all part an approved tender and decision note issued by the Commissioner)
  - The purchase of a further four appliances (PRL's), commercial work to be undertaken and specifications completed, £0.6m (chassis payments)
  - The Purchase of 2 water rescue units and 1 water carrier, £0.3
  - Light Vehicles, £0.6m, the programme includes the replacement of light vehicles as part of the rolling vehicle replacement programme. The commitment to move to a more sustainable fleet and the procurement of hybrid and electric vehicles as part of the overall environmental strategy is part of this ongoing programme

- **Information Technology**

  The ICT programme for 2025/26 of £1.3m includes the following:

  - Ongoing ICT rolling replacement programme for desktop and infrastructure and device replacement strategy, £0.350m
  - Station end replacement, £0.325
  - Mobile Data Terminals (MDT), £0.225m replacement cost
  - Other, £0.4m

8. Funding the Programme

8.1 **Appendix 1** also details the proposed funding strategy for the 2025/26 programme together with indications for the funding of the next two years. For 2025/26, the programme will be funded by a combination of grant funding, earmarked reserves, direct revenue funding and the use of internal cash. This is also reviewed within the Treasury Management Strategy Report.

8.2 The Authority will also seek to fund as much of the programme as possible through direct revenue contribution should additional savings be available in year.

9. Minimum Revenue Provision (MRP) Policy Statement

9.1 The Staffordshire Commissioner Fire and Rescue Authority is required each year to set aside some of its revenues as provision for debt repayment. This MRP provision essentially allows the Authority to “pay off” an element of the Capital Financing Requirement annually through a revenue charge known as the Minimum Revenue Provision (MRP).

9.2 The MRP was previously defined by statute with regulations providing for MRP as a 4% charge in respect of the amount of the Capital Financing Requirement (CFR). Under current regulations, the rules have been replaced with a general duty for a local authority to make an MRP charge to revenue which it considers prudent. The new regulation does not itself define “prudent provision”. However, guidance has been issued specifying methods for MRP calculation, which the Secretary of State considers prudent thereby effectively determining prudent provision.

9.3 Regulations require the Authority to approve an MRP Statement in advance of each year. It is recommended that the Authority continue to apply a MRP to capital expenditure funded by borrowing under the ‘Asset Life Method’: which calculates the MRP charge based on the estimated life of the asset for which the borrowing is undertaken.

9.4 The total level of debt for this Authority as at 31 March 2024 was £23.9m, and is forecast to increase to £28.8m by March 2028 based upon the capital investment requirements outlined within this paper.

Report Author: - David Greensmith ACMA CGMA
Telephone: - 01785-898690
Email: - d.greensmith@staffordshirefire.gov.uk

Appendix 1

Staffordshire Commissioner Fire and Rescue Authority

Summary Proposed Capital Programme 2024/25 to 2026/27

	2025/26 Budget	2026/27 Plan	2027/28 Plan
	£	**£**	**£**
Building & Infrastructure Works			
Station Refurbishment	486,677		
Improvement Works	870,000	720,000	830,000
Total	**1,356,677**	**720,000**	**830,000**
Operational Equipment	**879,000**	**469,000**	**390,000**
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,425,000	1,600,000	850,000
Vans & Cars	880,000	640,000	470,000
Total	**2,305,000**	**2,240,000**	**1,320,000**
Information Technology			
ICT Hardware, Software Systems & Installations	1,260,000	675,000	840,000
Total	**1,260,000**	**675,000**	**840,000**
Total Capital Programme	**5,800,677**	**4,104,000**	**3,380,000**
Funding			
Direct Revenue Funding	535,000	410,000	470,000
Unsupported Borrowing	4,779,000	3,694,000	2,910,000
Earmarked Reserves	486,677		
Total Funding	**5,800,677**	**4,104,000**	**3,380,000**

Appendix 2

Staffordshire Commissioner Fire and Rescue Authority
Detailed Capital Programme 2025/26

Scheme Description	Detail	PROPOSED CAPITAL PROGRAMME
Building Works - Improvements		
Brewood Refurbishment	Revised refurbishment options are under development by the Estates Team	486,677
Eccleshall - Gym Area Refurb	Improvements to Gym facilities in order to maintain firefighter wellbeing and fitness	40,000
L&D Remodelling Phase 3	Remodel BA Training Room and Gym	150,000
Stafford Fire Station External Lighting replacement	Replace and install new lighting to rear year and frontage	60,000
Stafford Fire Station Fire Alarm	Replace existing fire alarm system with L1/L2 system	80,000
PV Panel Installation	Installation of PV system to Jets subject to business case	180,000
Tutbury - External Portakabin	Portacabin solution for gym facilities	70,000
EV Rollout	Install EV charging points across the Estate - WOM, LEE, CAN, HAN, NEW, BOT, TAM, LTN	180,000
Lighting replacement with LED	LED Wombourne, Eccleshal, BAM, Barn, Generator room, Plant rooms, Cheadle, Barton	60,000
HQ - FBT clean concept	Design work - Clean concept provisions	50,000
		1,356,677
Operational Equipment		
Operational Equipment Pool		25,000
Working at Height Equipment	Replacment of all Level 1 WAH equipment	45,000
Confined Space Equipment	Equipment required to complete confined space procurement	25,000
Air Tracks / Ice Paths	Replacement due to age	45,000
Appliance Equipment (PRL 3-5)	Equipment for new PRL	180,000
Cylinder Replacement	Phase 1	125,000
BA compressors x 2	Planned replacement of existing compressors	50,000
Boat	Replace spare boat 20 years old	10,000
Body Worn Cameras	Equipment is due for replacement - Cameras will be upgraded	45,000
Animal Rescue	Animal rescue equipment required for training	26,000
Equipment For Marked 4x4 Response Vehicles	Pumps and equipment for 4x4 Response Vehicle 1 and 2	20,000
Asset Tracking	Software and Hardware	80,000
E-PPV	Procure more E-PPV inline with plan	25,000
Robotics / ROV / Cobra / Smoke Curtains	ERT including Purchase of robotic unit for operations/ Cobra System development / Smoke Curtains	178,000
		879,000
Appliances & Vehicles		
Cobra System Vehicle	Vehicle to support ERT Cobra project	50,000
Unmarked and Marked Response Cars x 4	Group and Station Manager Response Vehicles	100,000
Marked 4x4 Response Vehicles x 2	Replacing 63 plate Ford Rangers at 13 years old	70,000
Utility Van x 3	For Estates - Large - £30k per vehicle - replace Full EV vans that were leased	90,000
Utility van - small/medium x2	Station vans - also used by CSO's - £20k per vehicle	40,000
Marked non-response van x 2	Two Van to be replaced	40,000
Hydrant Technician Van	New Hydrant Technician van fitted out	40,000
Mobile Workshop (JETS)	£45k - used by JETS for safety inspections and on station repairs - includes fitting of shelves, benches and electrics. Price based on fit of mobile workshop 2024/25	45,000
Welfare Support Unit x 1	Vehicle will be known as Personal Hygiene Unit (PHE)	60,000
Appliances PRL (Pump Rescue Ladder)	PRL 3 / PRL 4 / PRL 5 - Body Build Payments	825,000
Appliances PRL (Pump Rescue Ladder)	PRL 6 / PRL 7 / PRL 8 / PRL 9 - Chassis Payments	600,000
Water carriers	Chassis Payment	150,000
2 x Water Rescue Units	Mercedes Sprinters	180,000
Appliance Sensors	'Dr Air Brake'' - kit to automatically brake appliances before they bump and cause damages. Trial for new aerial ladder platform vehicle before wider rollout	15,000
		2,305,000
Information Technology		
Stations / L&D Teams Room Enablement		50,000
MDT Replacement - Software		225,000
Station End		225,000
ICT Rolling Programme - Desktop	Rolling program for officers and admin laptop replacement plus desktop solutions such as igels.	150,000
ICT Rolling Programme - Infrastructure	Citrix Server 5 year replacement/Station Alerter Equipment (Depending on work carried out in 22/23)	200,000
ICT additional infrastructure		100,000
MS Enablement		50,000
Mobile Phone Replacement		35,000
Wireless Access Points		100,000
Alerter Replacement		25,000
PSN & PSTN Network Refresh		100,000
		1,260,000
Overall Total		**5,800,677**

Appendix 3

Staffordshire Commissioner Fire and Rescue Authority
Prudential Indicators

A. Indicators for Affordability, Prudence and Capital Expenditure

1. Ratio of Financing Costs to Net Revenue Stream

Estimate 2025/26 %	Estimate 2026/27 %	Estimate 2027/28 %
5.6	6.2	6.8

This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and Council Tax. This allows the Authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.

2. Estimates of Capital Expenditure

Estimate 2025/26 £m	Estimate 2026/27 £m	Estimate 2027/28 £m
5.8	4.1	3.4

Expressed in absolute terms rather than as a ratio, this shows the overall level of capital investment irrespective of how it is being funded.

3. Capital Financing Requirement/Gross Debt

Estimate 2025/26 £m	Estimate 2026/27 £m	Estimate 2027/28 £m
26.9	28.4	28.8

This indicator effectively shows the level of the Authority's underlying need to borrow for capital purposes.

Net borrowing is not expected to exceed the total of the capital financing requirement (except in the short term)

It is a key indicator of prudence that, over the medium term, net borrowing is only for capital purposes.

B. Indicators for Treasury Management

1. Treasury Management Code of Practice

The Authority has adopted the CIPFA Code of Practice on Treasury Management

2. <u>External Debt</u>

	Estimate 2025/26 £m	Estimate 2026/27 £m	Estimate 2027/28 £m
Authorised Limit	41.9	43.4	43.8
Operational Boundary	34.8	36.0	36.2

This indicator identifies two limits in relation to external debt, and excludes PFI.

The *Authorised Limit is the maximum level of external borrowing which should not be exceeded. The limit is linked to the estimated level of borrowing assumed in the Capital Programme.*

In addition *an Operational Boundary is required which represents the Treasurer's estimate of the day to day limit for the Treasury Management activity based on the most likely i.e. prudent but not worst case scenario.*

The above excludes the PFI Balance Sheet debt position.

Appendix 4

Glossary of Risk Management Categories

Credit Risk is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot complete the agreed contract. Accordingly we will ensure that robust due diligence procedures covers all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

Liquidity Risk is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. The exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Appropriate interventions will occur as early as possible.

Interest Rate Risk is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Exchange Rate Risk is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Inflation Risk is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible any exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Legal and Regulatory Risk is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, we will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

Fraud, Error and Corruption is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. This is supported by the national Code of Ethics and detailed policies such as Counter-Fraud and Corruption and Declaration of Interests.

Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.