

CAPITAL PROGRAMME 2020 TO 2030

Detail	2019-20		2020-21 Estimate £	2021-22 Estimate £	2022-23 Estimate £	2023-24 Estimate £	2024-25 Estimate £	2025-26 Estimate £	2026-27 Estimate £	2027-28 Estimate £	2028-29 Estimate £	2029-30 Estimate £	Prior to 01/04/2019 £	Total £
	Original £	Revised £												
<b>1. COMMITTED EXPENDITURE</b>														
<b>1. CHIEF EXECUTIVE AND SOLICITOR TO THE COUNCIL</b>														
New Headquarters - Office Accommodation	-	-	413,610	-	-	-	-	-	-	-	-	-	9,586,390	10,000,000
<b>SUB TOTAL</b>	<b>0</b>	<b>0</b>	<b>413,610</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,586,390</b>	<b>10,000,000</b>
<b>2. COMMUNITY WELL-BEING AND ENVIRONMENT</b>														
Franchise Street S106 - Brinton Park	-	-	37,430	-	-	-	-	-	-	-	-	-	24,780	62,210
Franchise Street S106 - Arts Development	-	9,330	-	-	-	-	-	-	-	-	-	-	-	9,330
Parking Facilities: Improvement to Car Parks	34,530	74,530	-	-	-	-	-	-	-	-	-	-	419,970	494,500
Green Street Depot Investment	-	2,446,750	49,300	-	-	-	-	-	-	-	-	-	1,383,950	3,880,000
Bewdley Medical Centre	-	14,160	-	-	-	-	-	-	-	-	-	-	837,040	851,200
Brinton Park HLF Scheme (subject to successful HLF bid)	-	-	100,000	-	-	-	-	-	-	-	-	-	-	100,000
Commercial Activity Capital Funding*	-	195,390	-	-	-	-	-	-	-	-	-	-	54,610	250,000
* Subject to Business Cases & approval by the Commercial Activity Board														
<b>SUB TOTAL</b>	<b>34,530</b>	<b>2,740,160</b>	<b>186,730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,720,350</b>	<b>5,647,240</b>
<b>3. ECONOMIC PROSPERITY AND PLACE</b>														
Housing Strategy:														
Disabled Facilities Grants (subject to confirmation 2020-21 onwards)	1,683,840	1,500,000	1,490,830	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,463,880	24,454,710
Conversion of 2-3 New Street, Stourport	-	3,430	-	-	-	-	-	-	-	-	-	-	293,630	297,060
Comberton Place Residential Investment (now considered unviable)	440,000	-	-	-	-	-	-	-	-	-	-	-	-	0
Property Conversion, Stourport (subject to Council approval)	-	60,000	-	-	-	-	-	-	-	-	-	-	-	60,000
Housing Assistance - Private Sector Measures (including Decent Homes Grant)	103,830	80,000	72,740	-	-	-	-	-	-	-	-	-	1,907,630	2,060,370
Planning Delivery Grant Capital Projects	-	2,750	-	-	-	-	-	-	-	-	-	-	255,010	257,760
Flood Relief	18,410	10,000	18,410	-	-	-	-	-	-	-	-	-	170,590	199,000
North Worcs Water Management Capital Projects - Redditch Schemes	18,870	18,870	-	-	-	-	-	-	-	-	-	-	115,930	134,800
Regeneration and Economic Development	-	106,520	-	-	-	-	-	-	-	-	-	-	2,879,450	2,985,970
Carbon Management Plan	-	-	20,000	-	-	-	-	-	-	-	-	-	83,150	103,150
Worcester Street Improvements Grant (Match Funding)	375,000	450,000	-	-	-	-	-	-	-	-	-	-	375,000	825,000
Future Investment Evergreen Fund*	-	119,740	-	-	-	-	-	-	-	-	-	-	-	119,740
Industrial Units Development - Silverwoods	1,935,040	220,000	1,930,040	-	-	-	-	-	-	-	-	-	-	2,150,040
Industrial Units Development - Silverwoods (former Frenco site)	-	633,160	-	-	-	-	-	-	-	-	-	-	55,030	688,190
Churchfields Development (Grant Funded)	-	2,700,000	-	-	-	-	-	-	-	-	-	-	-	2,700,000
Capital Portfolio Fund*	4,750,000	14,695,110	-	-	-	-	-	-	-	-	-	-	9,776,700	24,471,810
Development Loans Fund*	4,000,000	10,000,000	-	-	-	-	-	-	-	-	-	-	-	10,000,000
* Subject to Business Cases & Due Diligence														
<b>SUB TOTAL</b>	<b>13,324,990</b>	<b>30,599,580</b>	<b>3,532,020</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>28,376,000</b>	<b>71,507,600</b>
<b>4. RESOURCES</b>														
ICT Strategy	558,000	666,110	113,000	160,000	-	-	-	-	-	-	-	-	3,342,670	4,281,780
<b>SUB TOTAL</b>	<b>558,000</b>	<b>666,110</b>	<b>113,000</b>	<b>160,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,342,670</b>	<b>4,281,780</b>
<b>5. VEHICLE, EQUIPMENT &amp; SYSTEMS RENEWAL SCHEDULE</b>														
Vehicles & Equipment & Systems Renewal Schedule	1,017,000	1,464,500	760,000	785,000	199,000	224,000	363,000	1,144,000	1,259,000	170,000	546,500	546,500	7,708,940	15,170,440
<b>SUB TOTAL</b>	<b>1,017,000</b>	<b>1,464,500</b>	<b>760,000</b>	<b>785,000</b>	<b>199,000</b>	<b>224,000</b>	<b>363,000</b>	<b>1,144,000</b>	<b>1,259,000</b>	<b>170,000</b>	<b>546,500</b>	<b>546,500</b>	<b>7,708,940</b>	<b>15,170,440</b>
<b>TOTAL COMMITTED EXPENDITURE</b>	<b>14,934,520</b>	<b>35,470,350</b>	<b>5,005,360</b>	<b>1,945,000</b>	<b>1,199,000</b>	<b>1,224,000</b>	<b>1,363,000</b>	<b>2,144,000</b>	<b>2,259,000</b>	<b>1,170,000</b>	<b>1,546,500</b>	<b>1,546,500</b>	<b>51,734,350</b>	<b>106,607,060</b>

CAPITAL PROGRAMME 2020 TO 2030

Detail	2019-20		2020-21 Estimate £	2021-22 Estimate £	2022-23 Estimate £	2023-24 Estimate £	2024-25 Estimate £	2025-26 Estimate £	2026-27 Estimate £	2027-28 Estimate £	2028-29 Estimate £	2029-30 Estimate £	Prior to 01/04/2019 £	Total £
	Original £	Revised £												
<b>2. FINANCING</b>														
Capital Receipts: Funding Approved	695,260	995,030	1,187,780	-	-	-	-	-	-	-	-	-		2,182,810
Prudential Borrowing for Regeneration and Economic Development Scheme	-	87,090	-	-	-	-	-	-	-	-	-	-		87,090
Prudential Borrowing for Carbon Management Scheme	-	-	20,000	-	-	-	-	-	-	-	-	-		20,000
Prudential Borrowing for Worcester Street Improvements Grant (Match Funding)	375,000	450,000	-	-	-	-	-	-	-	-	-	-		450,000
Prudential Borrowing for Industrial Units Development	1,650,040	220,000	1,430,040	-	-	-	-	-	-	-	-	-		1,650,040
Prudential Borrowing for Development Loans Fund	4,000,000	10,000,000	-	-	-	-	-	-	-	-	-	-		10,000,000
Prudential Borrowing for Capital Portfolio Fund	5,000,000	15,068,270	-	-	-	-	-	-	-	-	-	-		15,068,270
Prudential Borrowing for Green Street Depot Investment	-	1,486,750	49,300	-	-	-	-	-	-	-	-	-		1,536,050
Prudential Borrowing for Brinton Park HLF Scheme	-	-	100,000	-	-	-	-	-	-	-	-	-		100,000
Prudential Borrowing for ICT Strategy	558,000	666,110	113,000	160,000	-	-	-	-	-	-	-	-		939,110
Prudential Borrowing for Commercial Activity Capital Funding	-	195,390	-	-	-	-	-	-	-	-	-	-		195,390
Public Realm Funding (from Worcestershire County Council)	-	19,430	-	-	-	-	-	-	-	-	-	-		19,430
Better Care Fund Grant (from WCC - subject to confirmation 20-21 onwards)	1,482,410	1,500,000	1,289,400	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		10,789,400
Planning Delivery Grant	-	2,750	-	-	-	-	-	-	-	-	-	-		2,750
S.106 Funding (Parking - Contractual Agreement)	34,530	52,670	-	-	-	-	-	-	-	-	-	-		52,670
S.106 Funding (Franchise Street)	-	9,330	37,430	-	-	-	-	-	-	-	-	-		46,760
S.106 Funding (Sutton Park Road)	85,000	-	-	-	-	-	-	-	-	-	-	-		0
Flood Relief Grant (from DCLG)	18,410	10,000	18,410	-	-	-	-	-	-	-	-	-		28,410
Churchfields Development Grant (from Housing Infrastructure Fund)	-	2,700,000	-	-	-	-	-	-	-	-	-	-		2,700,000
North Worcs Water Management Capital Projects - Redditch BC Funding	18,870	18,870	-	-	-	-	-	-	-	-	-	-		18,870
Vehicles, Equipment & Systems (Prudential Borrowing)	1,017,000	1,464,500	760,000	785,000	199,000	224,000	363,000	1,144,000	1,259,000	170,000	546,500	546,500		6,915,000
<u>Direct Revenue Funding:</u>														
Bewdley Medical Centre	-	14,160	-	-	-	-	-	-	-	-	-	-		14,160
Green Street Depot Investment	-	510,000	-	-	-	-	-	-	-	-	-	-		510,000
	14,934,520	35,470,350	5,005,360	1,945,000	1,199,000	1,224,000	1,363,000	2,144,000	2,259,000	1,170,000	1,546,500	1,546,500		53,326,210

# Agenda Item No. 7.2 - Appendix 1A

## VEHICLE, EQUIPMENT AND SYSTEMS RENEWALS SCHEDULE 2020 TO 2030

DETAIL	Fleet Number	2019-20		2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
		Original £	Revised £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £	Estimate £
<b>1. VEHICLES</b>													
EMS & BIN LIFTS		13,500	13,500	-	13,500	-	-	-	-	-	-	-	-
GARAGE EQUIPMENT		-	40,000	-	-	-	-	-	-	-	-	-	-
REFURBISHMENT FUND		-	30,000	-	-	-	-	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV241	-	-	-	-	-	-	-	91,000	-	-	-	-
REFUSE FREIGHTER 26000kg	AV237	-	-	-	-	-	-	-	95,500	-	-	-	-
REFUSE FREIGHTER 26000kg	AV238	-	-	-	-	-	-	-	95,500	-	-	-	-
REFUSE FREIGHTER 24000kg	AV234	-	-	-	-	-	-	-	100,000	-	-	-	-
REFUSE FREIGHTER 26000kg	AV268	-	-	-	-	-	-	-	100,000	-	-	-	-
REFUSE FREIGHTER 26000kg	AV239	-	-	-	-	-	-	-	100,000	-	-	-	-
TIPPER 3500kg	AV177	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV193	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV064	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV200	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV201	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV202	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV214	-	30,000	-	-	-	-	-	30,000	-	-	-	-
TIPPER 3500kg	AV216	-	30,000	-	-	-	-	-	30,000	-	-	-	-
MEDIUM REFUSE FREIGHTER 12000kg RCV	AV211	-	100,000	-	-	-	-	-	100,000	-	-	-	-
RIDE ON MOWER	AV226	25,000	25,000	-	-	-	-	-	-	25,000	-	-	-
4x4	AV252	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TIPPER 3500kg	AV220	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TIPPER 3500kg	AV063	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TIPPER 3500kg	AV221	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TIPPER 3500kg	AV222	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TIPPER 3500kg	AV223	30,000	30,000	-	-	-	-	-	-	30,000	-	-	-
TRACTOR	AV070	32,000	-	40,000	-	-	-	-	-	-	-	-	-
RIDE ON MOWER	AV212	32,000	32,000	-	-	-	-	-	32,000	-	-	-	-
TIPPER 7000kg	AV181	48,000	48,000	-	-	-	-	-	-	48,000	-	-	-
REFUSE FREIGHTER 24000kg	AV245	170,500	170,500	-	-	-	-	-	-	170,500	-	-	-
REFUSE FREIGHTER 26000kg	AV246	170,500	170,500	-	-	-	-	-	-	170,500	-	-	-
REFUSE FREIGHTER 26000kg	AV083	170,500	170,500	-	-	-	-	-	-	175,000	-	-	-
REFUSE FREIGHTER 26000kg	AV084	175,000	175,000	-	-	-	-	-	-	175,000	-	-	-
ATV WEED SPRAYER	AV271	-	-	-	-	-	-	15,000	-	-	-	-	-
LIGHT VAN	AV218	-	-	30,000	-	-	-	-	25,000	-	-	-	-
LIGHT VAN	AV230	-	-	30,000	-	-	-	-	25,000	-	-	-	-
LIGHT VAN	AV229	-	-	30,000	-	-	-	-	25,000	-	-	-	-
MIDI TRACTOR	AV189	-	-	30,000	-	-	-	-	-	-	-	-	-
MOWING MACHINE	AV240	-	-	35,000	-	-	-	-	35,000	-	-	-	-
TIPPER 3500kg	AV255	-	-	35,000	-	-	-	-	-	-	35,000	-	-
TIPPER 3500kg	AV256	-	-	35,000	-	-	-	-	-	-	35,000	-	-
JCB DIGGER	AV183	-	-	-	60,000	-	-	-	-	-	-	-	-
PAVEMENT SWEEPER	AV258	-	-	80,000	-	-	-	-	80,000	-	-	-	-
SMALL REFUSE FREIGHTER 7500kg RCV	AV261	-	-	90,000	-	-	-	-	-	-	85,000	-	-
ROAD SWEEPER 15000kg	AV184	-	-	140,000	-	-	-	-	-	130,000	-	-	-
REFUSE FREIGHTER 26000kg	NEW	-	-	175,000	-	-	-	-	-	175,000	-	-	-
CAR	AV279	-	-	-	10,000	-	-	-	-	10,000	-	-	-
CAR	AV272	-	-	-	15,000	-	-	-	-	-	15,000	-	-
FORK LIFT	FORKLIFT	-	-	-	15,000	-	-	-	-	-	-	-	-
PAVEMENT SWEEPER	AV275	-	-	-	60,000	-	-	-	-	-	-	-	-
PAVEMENT SWEEPER	AV276	-	-	-	60,000	-	-	-	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV186	-	-	-	180,500	-	-	-	-	-	-	170,500	170,500
REFUSE FREIGHTER 26000kg	AV187	-	-	-	180,500	-	-	-	-	-	-	170,500	170,500
REFUSE FREIGHTER 18000kg	AV185	-	-	-	180,500	-	-	-	-	-	-	170,500	170,500
LIGHT VAN	AV285	-	-	-	-	20,000	-	-	-	-	-	-	-
3500KG VAN	AV281	-	-	-	-	23,000	-	-	-	-	-	-	-
LIGHT VAN	AV282	-	-	-	-	23,000	-	-	-	-	-	-	-
LIGHT VAN	AV283	-	-	-	-	23,000	-	-	-	-	-	-	-
RIDE ON MOWER AND FLAIL	AV273	-	-	-	-	20,000	-	-	-	-	-	17,500	17,500
RIDE ON MOWER AND FLAIL	AV274	-	-	-	-	20,000	-	-	-	-	-	17,500	17,500
PAVEMENT SWEEPER	AV289	-	-	-	-	70,000	-	-	-	-	-	-	-
TRAILER	AV278	-	-	-	-	-	3,000	-	-	-	-	-	-
RIDE ON MOWER	AV287	-	-	-	-	-	25,000	-	-	-	-	-	-
CHIPPER	AV277	-	-	-	-	-	26,000	-	-	-	-	-	-
TRACTOR	AV225	-	-	-	-	-	50,000	-	-	-	-	-	-
ROAD SWEEPER 15000kg	AV280	-	-	-	-	-	120,000	-	-	-	-	-	-
4x4	AV288	-	-	-	-	-	-	23,000	-	-	-	-	-
TIPPER 3500kg	AV292	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 3500kg	AV286	-	-	-	-	-	-	30,000	-	-	-	-	-
TIPPER 7500kg	AV284	-	-	-	-	-	-	45,000	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV290	-	-	-	-	-	-	100,000	-	-	-	-	-
REFUSE FREIGHTER 26000kg	AV291	-	-	-	-	-	-	100,000	-	-	-	-	-
<b>2. OTHER</b>													
Financial Management System Replacement	FMS001	-	69,500	-	-	-	-	-	-	-	-	-	-
Flail Equipment replacement	R476	-	-	-	-	-	-	20,000	-	-	-	-	-
Zip Boilers replacement (Wyre Forest House)		-	-	10,000	10,000	-	-	-	-	-	-	-	-
		1,017,000	1,464,500	760,000	785,000	199,000	224,000	363,000	1,144,000	1,259,000	170,000	546,500	546,500

Quantitative ratios are presented in this appendix in colour coded categories as follows:				
Green	Debt to gross Service expenditure (GSE) ratios			
Yellow	Debt to net service expenditure (NSE) ratios			
	For these first two categories, ratios are provided for total debt and also for non treasury debt relating to the Capital Portfolio Fund (property) and separately for the Development Loan Fund			
Pink	Loan to Value ratios			
Beige	Capital Financing ratios			
Purple	Financing costs to net service expenditure (NSE) ratio			
Light Blue	Income/investment cover ratios			
Light Yellow	Trends/benchmarks			

Capital Programme		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>DEBT TO GROSS SERVICE EXPENDITURE RATIOS</b>												
Gross debt to gross service expenditure (GSE) ratio	<i>Gross debt as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	115.10%	119.78%	116.79%	111.91%	110.74%	109.72%	108.74%	107.77%	106.81%	105.85%	104.91%
Non treasury property investments debt to gross service expenditure (GSE) ratio	<i>Gross debt of non treasury property acquisitions as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	48.58%	50.02%	48.69%	47.41%	46.00%	44.67%	43.38%	42.10%	40.84%	39.59%	38.36%
Non treasury development loans investments debt to gross service expenditure (GSE) ratio	<i>Gross debt of non treasury development loans investments as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.</i>	19.51%	20.30%	20.14%	19.98%	19.78%	19.59%	19.42%	19.24%	19.07%	18.90%	18.73%
<b>DEBT TO NET SERVICE EXPENDITURE RATIOS</b>												
Gross debt to net service expenditure (NSE) ratio	<i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	508.41%	513.74%	491.09%	457.39%	434.29%	423.04%	410.72%	398.76%	387.14%	375.87%	364.92%
Non treasury property investments debt to net service expenditure (NSE) ratio	<i>Gross debt of non treasury property acquisitions as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	214.57%	214.52%	204.73%	193.75%	180.41%	172.25%	163.85%	155.78%	148.03%	140.58%	133.45%
Non treasury development loans investments debt to net service expenditure (NSE) ratio	<i>Gross debt of non treasury development loans investments as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	86.17%	87.08%	84.67%	81.68%	77.55%	75.54%	73.34%	71.21%	69.13%	67.12%	65.16%
<b>LOAN TO VALUE RATIOS</b>												
Loan to value ratio (Gross)	<i>The amount of gross debt compared to the total asset value (Long term assets - PPE).</i>	89.72%	89.65%	87.26%	83.41%	82.59%	81.77%	80.96%	80.16%	79.37%	78.58%	77.80%
Loan to PPE value ratio (property)	<i>The amount of non treasury property debt compared to the total asset value (Long term assets - PPE).</i>	37.86%	37.44%	36.38%	35.33%	34.31%	33.30%	32.30%	31.31%	30.35%	29.39%	28.45%
Loan to PPE value ratio (development loans)	<i>The amount of non treasury development loans investment debt compared to the total asset value (Long term assets - PPE).</i>	15.21%	15.19%	15.04%	14.90%	14.75%	14.60%	14.46%	14.31%	14.17%	14.03%	13.89%
Loan to PPE value ratio (total non treasury investments)	<i>The amount of total non treasury investment debt compared to the total asset value (Long term assets - PPE).</i>	53.07%	52.63%	51.42%	50.23%	49.06%	47.90%	46.76%	45.63%	44.52%	43.42%	42.35%
Loan to value ratio (property only)	<i>The amount of property debt compared to the total property asset value (property portfolio only).</i>	101.27%	99.99%	97.17%	94.38%	91.64%	88.94%	86.27%	83.65%	81.06%	78.51%	76.00%

Capital Programme		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>CFR RATIOS</b>												
CFR - Property	<i>Property CFR as a proportion of the gross CFR</i>	41.91%	41.47%	41.26%	41.60%	41.96%	42.23%	41.90%	41.52%	42.06%	42.32%	42.59%
CFR - Development Loans	<i>Development Loans CFR as a proportion of the gross CFR</i>	16.90%	16.60%	16.55%	16.74%	16.93%	17.10%	17.03%	16.93%	17.22%	17.40%	17.59%
CFR - Combined	<i>Property and Development Loans CFR as a proportion of the gross CFR</i>	58.81%	58.07%	57.80%	58.34%	58.89%	59.33%	58.93%	58.45%	59.28%	59.72%	60.18%
<b>FINANCING COSTS TO NET SERVICE EXPENDITURE RATIOS</b>												
Property investments financing costs to net service expenditure (NSE) ratio	<i>Non treasury property acquisitions financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	4.42%	8.89%	10.28%	9.93%	9.44%	9.20%	8.95%	8.69%	8.45%	8.22%	7.98%
Development loans investments financing costs to net service expenditure (NSE) ratio	<i>Non treasury development loans investments financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	0.00%	3.70%	4.11%	3.88%	3.68%	3.59%	3.48%	3.38%	3.28%	3.19%	3.10%
Total non treasury investments financing costs to net service expenditure (NSE) ratio	<i>Total non treasury investments financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>	4.42%	12.59%	14.39%	13.81%	13.12%	12.79%	12.43%	12.08%	11.74%	11.40%	11.07%
<b>INCOME/INVESTMENT COVER RATIOS</b>												
Property investment cover ratio	<i>The total net income from property acquisitions, compared to the interest expense.</i>	82.23%	44.90%	37.09%	52.63%	53.16%	53.69%	54.23%	54.77%	55.32%	55.87%	56.43%
Developments loan investment cover ratio	<i>The total net income from development loans investments, compared to the interest expense.</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non treasury investment cover ratio	<i>The total net income from non treasury investments, compared to the interest expense.</i>	82.23%	33.76%	26.08%	37.00%	37.37%	37.75%	38.13%	38.51%	38.89%	39.28%	39.67%
Property target income returns (excluding financing costs)	<i>Net revenue income (excluding financing costs) compared to equity. This is a measure of achievement of the portfolio of properties.</i>	3.49%	5.52%	6.01%	6.42%	6.38%	6.34%	6.30%	6.26%	6.21%	6.17%	6.13%
Property target income returns (including financing costs)	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>	1.40%	1.38%	1.13%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>	2.85%	3.00%	3.40%	3.43%	3.44%	3.46%	3.48%	3.50%	3.52%	3.54%	3.57%
<b>TRENDS</b>												
Gross income	<i>The income received from the property portfolio at a gross level over time.</i>	(£1,279,330)	(£2,148,620)	(£2,429,800)	(£2,419,800)	(£2,439,250)	(£2,458,890)	(£2,478,730)	(£2,498,770)	(£2,519,010)	(£2,539,450)	(£2,560,090)
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio expands.</i>	£421,860	£362,560	£449,450	£330,410	£333,710	£337,050	£340,420	£343,820	£347,260	£350,730	£354,240
Financing costs	<i>The trend in financing costs of the non-financial property portfolio over time, as the portfolio expands.</i>	£512,730	£1,445,920	£1,699,350	£1,690,620	£1,691,920	£1,693,260	£1,694,640	£1,696,060	£1,697,520	£1,699,030	£1,699,030
Net income	<i>The income received from the property portfolio at a net level (less costs) over time.</i>	(£344,740)	(£340,140)	(£281,000)	(£398,770)	(£413,620)	(£428,580)	(£443,670)	(£458,890)	(£474,230)	(£489,690)	(£506,820)

## **CAPITAL STRATEGY SCHEME OF DELEGATION**

### **(i) Full Council**

- receiving and reviewing reports on Capital Strategy policies, practices and activities
- approval of annual strategy and strategies for Capital Portfolio Fund and Development Loans Fund.

### **(ii) responsible body - Cabinet after receiving recommendation from Overview and Scrutiny Committee**

- recommending approval of/amendments to the organisation's Capital Strategy
- receiving and reviewing regular monitoring reports and acting on recommendations

### **(iii) Body/person(s) with responsibility for scrutiny – Overview and Scrutiny Committee**

- reviewing the Capital Strategy policy and procedures and making recommendations to the responsible body.

**Note:** Cabinet on the 20<sup>th</sup> September 2017 delegated to a sub-committee its decisions on individual Capital Portfolio investments and on Loans from the Development Loans Fund.

The Overview and Scrutiny Committee decided on the 5<sup>th</sup> October 2017 to establish a sub-committee with terms of reference to scrutinise, and make recommendations upon business cases in respect of the capital portfolio fund and development loan fund.

**THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER (with revisions to include non-treasury investments)**

**The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term (20 year) timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
  - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*