

# Capital Strategy 2020/21 -2022/23

<b>Committee considering report:</b>	Council
<b>Date of Committee:</b>	03 March 2020
<b>Portfolio Member:</b>	Councillor Ross Mackinnon
<b>Date Portfolio Member agreed report:</b>	15 January 2020
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	C3811

## 1. Purpose of the Report

To outline the Capital Strategy covering financial years 2020/21 -2022/23 and the supporting funding framework, providing a high-level overview of how capital expenditure, 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.

## 2. Recommendations

- (1) The proposed Capital Strategy and supporting Minimum Revenue Provision policy to be formally agreed and adopted.
- (2) The revised Property Investment Strategy is agreed and adopted.

## 3. Implications and Impact Assessment

Implication	Commentary
<b>Financial</b>	<p>£47.1m of Council funding has been applied to the Capital Strategy and supporting programme of work. This level of investment requires an annual increase in the revenue budget in order to satisfy capital financing requirements. The required annual increases are reflected in the Council's Medium Term Financial Strategy (MTFS).</p> <p>£5.3m of further funding has been allocated to invest to save schemes, the capital financing implications of which will be covered off directly from revenue savings and income streams generated from the projects.</p>
<b>Human Resource:</b>	£3.3m of the Council's establishment is funded directly by the Capital Programme where it can be demonstrated that staff directly support and help to deliver the capital programme.
<b>Legal:</b>	<p>The Capital Strategy contains Prudential Indicators that are mandatory under the Capital Finance Act 2003.</p> <p>When the final programme has been approved by Council, the budget managers will have the authority to let contracts for the schemes included in the 2020/21 programme in accordance with the</p>

	Council's Contract Rules of Procedure.			
	<p>£1.3m of proposed capital receipts have been applied to the programme. Capital receipts are applied to the programme where use of a receipt is ring-fenced for a specific purposes and cannot be utilised for transformation purposes under the flexible use of capital receipts guidance introduced in 2016/17.</p>			
<b>Risk Management:</b>	<p>£52.5m of the programme over the next three financial years is proposed to be funded from external borrowing. Assumptions as to the anticipated cost of external borrowing are aligned to current guidance as set out by the Bank of England and potential interest rate increases. Significant / unanticipated rises in borrowing costs over and above those assumed within the budget setting will impact on the affordability of the overall programme.</p> <p>The proposed programme relies on £57.4m of external funding. External funding relating to later years of the programme has yet to be confirmed, programme priorities and the availability of funding will therefore need to be kept under review.</p> <p>The balance of funding is through use of capital receipts (see above).</p>			
<b>Property:</b>	The proposed Capital Programme will provide £2.1m for maintenance and improvements to a number of existing Council buildings.			
<b>Policy:</b>	The Capital Strategy is closely aligned to the delivery of the Council Strategy through enabling key projects to be financed and delivered.			
<b>Implication</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Any impacts have been assessed and publicly consulted upon where necessary.
Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and		X		Any impacts have been assessed and publicly consulted upon where necessary. For example, Disabled Facilities Grants are included as part of this programme.

service users?				
<b>Environmental Impact:</b>		X		There are a number of schemes included to enhance the environmental impact of the Council, for example afforestation, carbon management, cycle infrastructure and urban tree planting.
<b>Health Impact:</b>		X		Proposals included to encourage more walking and cycling as well as use of the district's environment.
<b>ICT or Digital Services Impact:</b>	X			Opportunities included in the programme for improved digital access to services and IT projects to enhance efficiency
<b>Council Strategy Priorities or Business as Usual:</b>	Yes			The planned programme is aligned to supporting the Council Strategy. Further details are included in section 4.2 of this report.
<b>Other</b>				Not applicable
<b>Data Impact:</b>		No		
<b>Consultation and Engagement:</b>	Joseph Holmes – Executive Director for Resources, S151 Officer Capital Strategy Group			

#### 4. Executive Summary

- 4.1 This report sets out the Capital Strategy and supporting programme covering the three year period 2020/21 – 2022/23. Despite ongoing pressure on the revenue budget, the Council continues to make significant investment in the future of West Berkshire through its capital programme.
- 4.2 The Capital Programme helps deliver the key priorities for improvement in the Council Strategy by proposing substantial investment over the next three years in the following key areas:

- (1) Ensuring vulnerable children and adults achieve better outcomes  
£9.4m
- (2) Supporting everyone to reach their full potential £40.5m
- (3) Supporting businesses to start to develop and thrive in West Berkshire  
£300k
- (4) Develop local infrastructure including housing to support and grow the local economy £45.1m
- (5) Maintain a green district £5.5m
- (6) Ensuring sustainable services through innovation and partnerships  
£701k.

4.3 Through the application of the strategy and supporting programme the Council has sought to build on its strengths, focusing on social care, education and enhancements to local infrastructure (including access to superfast broadband, better road and flood prevention and alleviation). The Council has also focused on building its response to the climate emergency via allocating additional funding to environmental projects.

4.4 The programme over the three year period amounts to £111.2m (£105.9m on operational assets and £5.3m on invest to save schemes). All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of £111.2m on operational assets and invest to save schemes is broken down as follows:

Funding of Expenditure on Operational Assets	2020/21	2021/22	2022/23	Total
	£000s	£000s	£000s	£000s
<b>External Sources</b>				
External Grants	21,453	12,520	8,389	<b>42,362</b>
Section 106 (s106)	3,275	2,539	1,114	<b>6,927</b>
Community Infrastructure Levy (CIL)	3,005	2,272	2,863	<b>8,140</b>
<b>Own Resources</b>				
Capital Receipts		1,320		<b>1,320</b>
Debt financing for operational assets	12,398	15,682	19,107	<b>47,186</b>
Debt financing for invest to save schemes	2,401	550	2400	<b>5,351</b>
<b>Total Planned Funding</b>	<b>42,532</b>	<b>34,882</b>	<b>33,872</b>	<b>111,286</b>

4.5 The proposed programme relies on £57.4m of external funding (i.e. grants, S106 and Community Infrastructure Levy). Levels of funding for later years of the programme is yet to be confirmed, availability of funding will therefore need to be kept under review, and changes may need to be made to the programme in future years. On this basis a conservative view of the level of available funding has been included within the proposed programme, with significantly lower levels of external funding included in years two and three of the programme.

4.6 £47.1m of external borrowing will be required to deliver the programme. External borrowing to fund capital expenditure on operational assets is supported by an annual increase in the revenue budget for capital financing which has remained

unchanged at £500k per year, with no allowance for inflation, since 2011. The planned programme requires an increase on the annual £500k rise, the planned increases in the capital financing budget are:

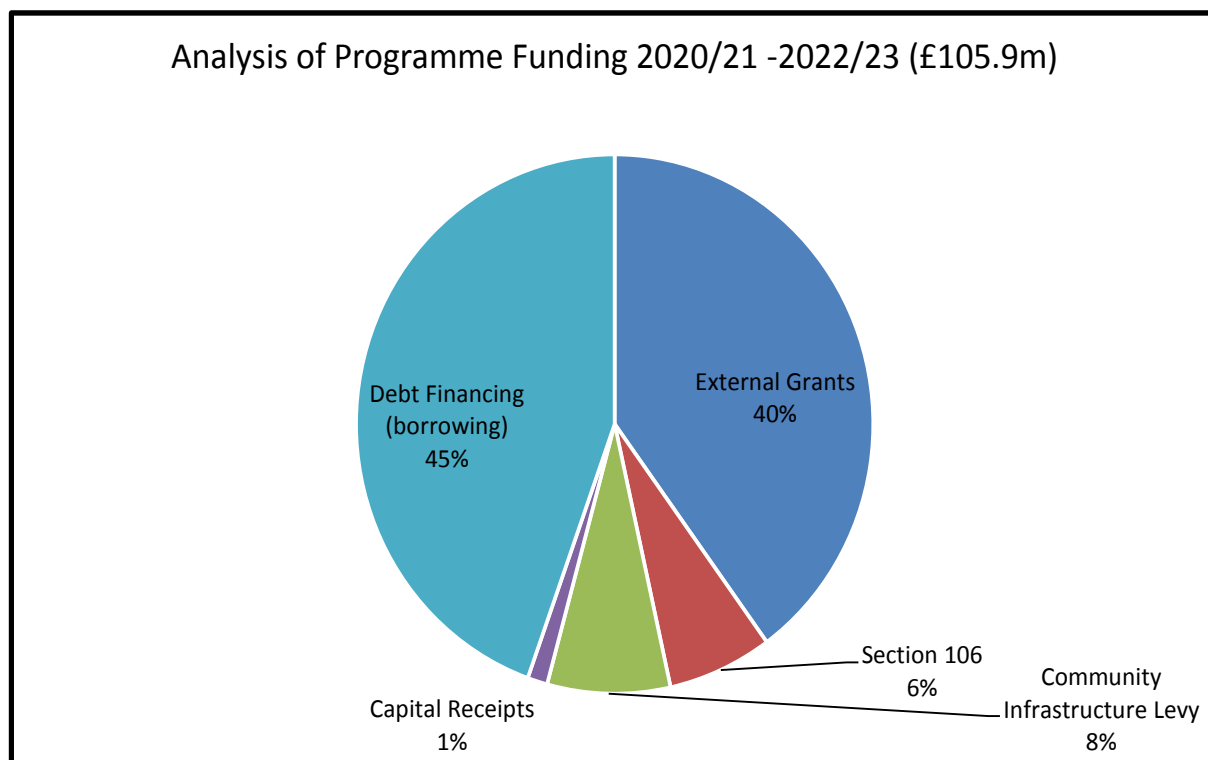
- (1) £500k in 2020/2021
- (2) £525k in 2021/2022
- (3) £550k in 2022/2023
- (4) £606k in 2023/2024

- 4.7 Further to the above increases in the revenue capital financing budget, £300k of additional treasury income generated in 2019/20 is being utilised to support delivery of the planned programme.
- 4.8 In order to effectively deliver the planned programme and align to the Council Strategy, the revenue capital financing budget has been increased in order to accommodate increases in capitalised salary costs, inflation on contracts and new projects. Assumptions as to the anticipated cost of external borrowing are set out in the Council's Investment and Borrowing Strategy, any significant / unanticipated rises in borrowing costs over and above those assumed within the budget setting will impact on the affordability of the overall programme.
- 4.9 £5.3m of external borrowing will be required to support proposed invest to save schemes. The capital funding for invest to save schemes is financed through the project via either revenue savings or income generation.
- 4.10 A summary of the three year capital programme shown in appendix C.

## 5. Supporting Information

### Introduction

- 5.1 The size of the Capital Programme is determined by the amount which the Council can afford to borrow together with other sources of capital funding, including capital receipts, government grants and developers' contributions.
- 5.2 The planned programme excluding invest to save schemes is £105.9m over the three year period, funded from a combination of Council funding (predominately prudential borrowing), external capital grants, section 106 (s106) and Community Infrastructure Levy (CIL).



- 5.3 A further £5.3m of external borrowing will be required to support two proposed invest to save schemes. The capital funding for invest to save schemes is financed through the project via either revenue savings or income generation.
- 5.4 The Prudential Code (2017), requires the Council to look at capital and investment plans in light of overall organisation strategy and resources to ensure that decisions are made with sufficient regard to the long term financing implications and risks to the Council. To demonstrate compliance, the code sets out a number of indicators which are reviewed within this report and the Council's Investment and Borrowing Strategy 2020/21.

#### Capital Expenditure and Financing

- 5.5 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £5k are not capitalised and are charged to revenue in year.

Prudential Indicator: Estimates of Capital Expenditure (including invest to save schemes)

Expenditure	2020/21	2021/22	2022/23	Total
	£	£	£	£
People Directorate	15,783	12,575	16,741	45,100
Place Directorate	19,961	18,507	11,081	49,548
Resources Directorate	4,386	3,250	3,651	11,287
<b>Total Expenditure on Operational Assets</b>	<b>40,130</b>	<b>34,332</b>	<b>31,472</b>	<b>105,935</b>
Invest to Save Schemes	2,401	550	2,400	5,351
<b>Total Planned Expenditure</b>	<b>42,532</b>	<b>34,882</b>	<b>33,872</b>	<b>111,286</b>

- 5.6 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of programme expenditure is as follows:

Funding of Expenditure on Operational Assets	2020/21	2021/22	2022/23	Total
	£000s	£000s	£000s	£000s
<b>External Sources</b>				
External Grants	21,453	12,520	8,389	<b>42,362</b>
Section 106 (s106)	3,275	2,539	1,114	<b>6,927</b>
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<b>Total Planned Funding</b>	<b>42,532</b>	<b>34,882</b>	<b>33,872</b>	<b>111,286</b>

- 5.7 The level of Section 106 and Community Infrastructure Levy (CIL) included in the financing of the programme are forecasts. Regular monitoring of actual levels received and those forecast to be received will be undertaken and reported to Capital Strategy Group (CSG), and the capital programme adjusted accordingly if necessary.
- 5.8 Until 2021/22 the Council is permitted to utilise capital receipts to fund transformation projects. £503k of forecast receipts are available to be allocated to the Council's Transformation Fund, £1.3m of ring-fenced receipts relating to future planned disposals of school assets are to be allocated in support of the capital programme.
- 5.9 £47.1m of Council funded borrowing, i.e. debt funding, is included within the programme. Capital schemes are funded by borrowing over different periods, depending on the approximate useful life of the asset being funded. For example, most ICT expenditure is funded over five years whereas new buildings are funded over 50 years. The programme is expected to be funded from borrowing from the Public Works Loans Board (PWLb), although under the Council's Investment and Borrowing Strategy alternative sources of funding can be accessed. The capital strategy assumes that the Bank of England base rate will continue to rise by a further 0.5% per year from 1 April 2021 onwards until they reach a peak of 2.5% in 2024/25.
- 5.10 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as the minimum revenue provision (MRP) or via further loan refinancing. Investment in the Council's operational assets are funded via annuity based loans (i.e. loans where interest and capital are repaid annually), linked to the expected life of the asset. The repayment of which are met by the capital financing budget in revenue. The Medium Term Financial Strategy (MTFS), allows for the following increases to maintain and fund the planned programme:
- (1) £500k in 2020/2021
  - (2) £525k in 2021/2022
  - (3) £550k in 2022/2023

(4) £606k in 2023/2024

- 5.11 Debt financing to support investment opportunities (e.g. commercial property) and inherited debt from the former Berkshire County Council (BCC) has been undertaken on a maturity basis (i.e. annual repayment of interest only) and requires the Council to make long term provision for the repayment of principal sums borrowed, known as the minimum revenue provision (MRP). The proposed level of MRP over the next ten years for the future repayment of former BCC loans and loans for purchase of commercial investment property is as follows:

Proposed MRP	2019/20 Estimated £000s	2020/21 Estimated £000s	2021/22 Estimated £000s	2022/23 Estimated £000s	2023/24 Estimated £000s	2024/25 Estimated £000s	2025/26 Estimated £000s	2026/27 Estimated £000s	2027/28 Estimated £000s	2028/29 Estimated £000s	2029/30 Estimated £000s
Accumulated MRP at start of year	7,678	8,577	9,323	10,048	10,995	11,658	12,753	13,471	14,199	14,901	15,555
Former BCC Loans	622	296	265	479	363	789	406	410	377	323	376
Commercial Property	277	450	459	468	300	306	312	318	325	331	338
Accumulated MRP at end of year	8,577	9,323	10,048	10,995	11,658	12,753	13,471	14,199	14,901	15,555	16,269

- 5.12 A detailed overview of the Council's MRP policy is included in Appendix D.
- 5.13 £5.3m of debt financing to support planned invest to save projects is financed from income streams generated from the project and is not funded from the Council's revenue capital financing budget. Debt to finance invest to save projects is undertaken on an annuity basis.
- 5.14 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loan fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £6.3m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Prudential Indicator: Estimates of Capital Financing Requirement

Capital Financing Requirement (CFR)	Forecast 2019/20 £000s	As per Proposed 2020/21 Capital Programme £000s	As per Proposed 2021/22 Capital Programme £000s	As per Proposed 2022/23 Capital Programme £000s
CFR brought forward	240,120	244,780	289,560	296,646
Borrowing to fund Operational Assets	11,475	12,239	14,803	18,075
Invest to Save	537	2,614	550	2,400
Commercial Activities		37,747	-	-
Lease Liabilities	-	-	-	
<b>Increase in borrowing to fund capital expenditure</b>	<b>12,012</b>	<b>52,600</b>	<b>15,353</b>	<b>20,475</b>
Less MRP & other financing	7,352	7,820	8,267	8,605
<b>CFR carried forward at yr end</b>	<b>244,780</b>	<b>289,560</b>	<b>296,646</b>	<b>308,516</b>
<b>Movement in CFR</b>	<b>4,660</b>	<b>44,780</b>	<b>7,086</b>	<b>11,870</b>



Proposals

5.15 The proposed programme includes planned capital expenditure as follows:

Expenditure By Service	2020/21	2021/22	2022/23	Total
	£000s	£000s	£000s	£000s
Adult Social Care	1,388	1,407	1,521	4,316
Children & Family Services	20	20	20	60
Education Services	14,375	11,148	15,200	40,724
<b>People Directorate</b>	<b>15,783</b>	<b>12,575</b>	<b>16,741</b>	<b>45,100</b>
Public Protection & Culture	659	501	507	1,667
Transport & Countryside	17,549	16,197	8,856	42,602
Development & Planning	1,753	1,808	1,718	5,280
<b>Places Directorate</b>	<b>19,961</b>	<b>18,507</b>	<b>11,081</b>	<b>49,548</b>
Chief Executive	0	0	0	0
Finance & Property	2,108	1,672	1,782	5,562
Customer Services & ICT	2,041	1,366	1,655	5,062
Legal & Strategic Support	237	213	214	663
<b>Resources Directorate</b>	<b>4,386</b>	<b>3,250</b>	<b>3,651</b>	<b>11,287</b>
<b>Total Planned Expenditure</b>	<b>40,130</b>	<b>34,332</b>	<b>31,472</b>	<b>105,935</b>
<b>Invest to Save Schemes</b>				
Public Protection & Culture	550	550	2,400	3,500
Transport & Countryside	1,851	0	0	1,851
<b>Total Invest to Save Schemes</b>	<b>2,401</b>	<b>550</b>	<b>2,400</b>	<b>5,351</b>
<b>Total Programme including Invest to Save</b>	<b>42,532</b>	<b>34,882</b>	<b>33,872</b>	<b>111,286</b>

5.16 The main changes to the previously agreed programme are as follows:

- (1) £3.7m of additional funding to support investment into Educational assets, inclusive of £97k of funding to replace modular buildings at Falkland Primary School, £634k of funding to support development of wrap around care provision, and £2.8m of funding for replacement and expansion of the Downlands Sports Centre.
- (2) £4m of additional external funding to resurface the A4, subject to a successful bid for external funding from government.
- (3) £5.3m of additional funding to support the environment strategy, (£3.5m of funding relating to invest to save projects).
- (4) £1.3m of external funding to support the Great Shefford Flood Alleviation Scheme, subject to a successful funding bid from government.
- (5) £1m of funding to support the development of the Grazeley master plan.
- (6) £638k of additional funding to support community transport, increased provision of cycling facilities at schools and renewal of the Council's mini bus fleet.
- (7) £415k of additional funding to support the Council's IT infrastructure.

5.17 In order to fund the planned programme, the annual capital financing revenue budget which has been capped at an annual increase of £500k since 2011, will require annual increases as follows:

- (1) £500k in 2020/2021
- (2) £525k in 2021/2022
- (3) £550k in 2022/2023
- (4) £606k in 2023/2024

5.18 Four invest to save projects have been included within the programme, the annual capital financing cost relating to these projects is to be funded from revenue savings and income streams generated from the projects.

- (1) Two projects relating to development of solar farm opportunities, £3.5m.
- (2) Refurbishment and improvement of the Kennet Centre office £67k.
- (3) To investigate the purchase of additional car parking at the new Newbury Station Car Park £1.7m.

Future options for income generation

5.19 The Council does have a number of potential options to pursue further through this strategy to deliver both financial and strategic return. There are further options that other Councils are investing in, however, this strategy proposes further investigation into the second and third options below as these have a very strong strategic alignment to the Council Strategy. There is also a strong case to include infrastructure investment takes places, especially for leisure and social care, that links to the capital strategy and will deliver cost avoidance; however, this is excluded from the section below as this looking more at income generation rather than cost avoidance.

#### 1) Commercial property

5.20 As highlighted elsewhere, there are increased constraints on commercial property investment options. At present, through the Council's current Property Investment Strategy, the Council has acquired £63m of commercial property assets that provide a gross return of £3.7m and a net return of £1.2m after allowing for capital financing costs. The Council is proposing to amend the strategy to focus the search for property within the district boundaries only. The review of the strategy is included in Appendix E.

#### 2) Environmental activities

5.21 There are, and will be in the future, a number of exciting opportunities for the Council to seek investment in this area. The Environment Strategy, being consulted upon at the time of writing, will provide further areas for investment, as will new technologies and schemes emerging locally and nationally.

5.22 The Council does have some existing opportunities to invest in capital that supports the delivery of upcoming environmental strategy that also provides a financial return to the Council. The Environment Strategy and subsequent work will continue to identify areas, but an initial area of focus, and one which the Council has been piloting, is the provision of Solar PV on roof space to generate a financial return through cheaper power supply to the Council building and selling any surplus energy to the grid. This also clearly has a strategic benefit through the Council Strategy and priority five on maintaining a green district. It is proposed to expand this pilot further across Council assets as well as seeking opportunities on non-Council owned assets, but where the authority is able to provide a financial return to pay for the infrastructure and generate an income stream as well as by providing more clean energy in the district.

5.23 The Council will also seek to explore the option to deliver a solar farm, either on its own landholding, through the acquisition, or partnership working. A number of other Councils are exploring and delivering this option, for example Swindon BC and Warrington Council.

### 3) Housing activities

5.24 There are options that others are exploring around the investment return and social benefit of investing in housing through the general fund (the Council does not have its own housing stock or Housing Revenue Account [HRA]). The Council through its housing board has already considered the reintroduction of an HRA, but the costs of doing so and the ability to acquire such a level of stock to make the endeavour successful are such that this option has been discounted at present. There are a number of others areas for the Council to explore investment options from housing:

#### a) Housing Company

5.25 A significant number of local authorities have set up housing companies. There are a mixture of reasons and structures. From an investment and Council Strategy focus, the initial review would be for a housing company that focussed purely on the rental market to begin with, and the opportunity for the council company to be an exemplar landlord and focus on a variety of market and sub-market tenure as well as to provide a treasury management return.

#### b) Investment in open market housing

5.26 The Council has the opportunity to invest directly in open market shared ownership through a similar scheme to the 'help to buy' route, but limiting this to within the district boundaries. This would provide a rental revenue stream, as the council would have a return on the element of the house that it purchased, with the purchaser having a mortgage on the other element. This could be tailored to support first time buyers, local residents or workers and so help achieve strategic objectives in respect of housing and the local economy as well as council workforce.

c) Joint Ventures

- 5.27 The Council already has a housing development Joint Venture with Sovereign Housing Association. Over time however, other approaches may well be made to Council for one joint ventures where there may be a greater financial return to the Council than land going through the Sovereign Joint Venture. These should be explored, in order to consider best value and the option considered against the exist joint venture, to ensure that the Council is maximising its investment opportunities.

## Financing

- 5.28 The Council, through the overall capital strategy, will seek to finance schemes as efficiently as possible. The increase in the PWLB borrowing rate late in 2019 has squeezed the opportunity for investment returns, especially in respect of commercial property investment. The investment strategy has a section on capital financing and options for the most efficient methodology. At present, the above schemes will be tested against the prevailing PWLB rate until different options are worked through by the Council.

## Potential expected returns

- 5.29 With all of the above options, the overall return on these will only be worked through as part of the feasibility work on each options. Each options as well has its own risks and benefits which need to be considered under each study and project. Below is a summary of the potential financial returns that the Council could expect, assuming a prevailing rate of borrowing of 3%.

### Solar PV

- 5.30 This could only be considered on a scheme by scheme basis. The overall return will depend on the current energy requirements of the building, the size of the roof available and its location, as well as the price of energy that can sold back into the grid. This does have the benefit of both offsetting costs, which are likely to be a higher level of return on investment than just purely selling into the electricity grid.

### Solar Farm

- 5.31 This would need to considered on an individual basis. The financial returns though for the Council if it is in the district are the business rates uplift and, if on Council land, the rental stream from the farm.

### Housing company

- 5.32 Initially, the financial return would be from the Council lending into the housing company and receiving a return. For example, if the company required £10m (and assuming a 75% debt and 25% equity investment from WBC), the Council return would be 2% (assuming a 5% lending rate) would be approximately £150,000 per annum, plus any dividend and /or capital uplift eventually.

## Open Market housing

- 5.33 The Council would need to charge a market rental on the property. If, for example, the Council worked on a pilot of ten properties (assuming an average of a 50% WBC ownership and house price of £300,000), there would £1.5m of assets owned and the Council would be lending in at, for example 5% (PWLB plus a margin to ensure there is no State Aid). This would deliver ongoing return of £30,000 plus a share of any capital appreciation or depreciation on the value of the property when it was sold. There would also be setup costs to be considered, and SDLT.

## Joint Ventures on housing scheme

- 5.34 This could only be considered on a scheme by scheme basis

## 6. Other options considered

Not applicable.

## 7. Conclusion

- 7.1 It is currently forecast that it will be possible to fund the 2020/21 – 2022/23 capital programme, via increasing the revenue capital financing budget on an annual basis from £500k in 2020/21, £525k in 2021/22, £550k in 2022/23 and £606k in 2023/24. This is based on long term assumptions about future spend, capital spending and financing plans which will need to be kept under review to ensure that it is possible to maintain the Council's asset base as fit for purpose with an affordable impact on the revenue budget.

## 8. Appendices

- 8.1 Appendix A – Equalities Impact Assessment
- 8.2 Appendix B – Data Protection Impact Assessment
- 8.3 Appendix C – Capital Programme 2020/21 – 2022/23
- 8.4 Appendix D – Minimum Revenue Provision Policy Statement
- 8.5 Appendix E – Property Investment Strategy

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### Background Papers:

None

### Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval	X
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>
Delays in implementation could compromise the Council's position	<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>

Item is Urgent Key Decision

☐

Report is to note only

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**Wards affected:** All

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**Officer details:**

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## Appendix A

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:***
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;***
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:***
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;***
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;***
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.***
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.***
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”***

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	Approve the Capital Strategy and Supporting Programme
<b>Summary of relevant legislation:</b>	CIPFA Prudential Code 2017
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	No
<b>Name of assessor:</b>	Shannon Coleman-Slaughter/Andy Walker
<b>Date of assessment:</b>	23.12.19

Is this a:		Is this:	
Policy	No	New or proposed	Yes
Strategy	Yes	Already exists and is being reviewed	No
Function	No	Is changing	No
Service	No		

1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
<b>Aims:</b>	Set a three year capital programme
<b>Objectives:</b>	Medium term planning
<b>Outcomes:</b>	Medium term planning
<b>Benefits:</b>	Medium term planning

2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)		
Group Affected	What might be the effect?	Information to support this
Age		
Disability		
Gender Reassignment		
Marriage and Civil		



Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
<b>Further Comments relating to the item:</b>		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	N/a
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Shannon Coleman-Slaughter

Date: 23.12.19

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.

## Appendix B

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance & Property
Team:	Accountancy
Lead Officer:	Shannon Coleman-Slaughter/Andy Walker
Title of Project/System:	Capital Programme
Date of Assessment:	23.12.19

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<b>Will you be processing SENSITIVE or “special category” personal data?</b>  Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”	<input type="checkbox"/>	<b>X</b>
<b>Will you be processing data on a large scale?</b>  Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both	<input type="checkbox"/>	<b>X</b>
<b>Will your project or system have a “social media” dimension?</b>  Note – will it have an interactive element which allows users to communicate directly with one another?	<input type="checkbox"/>	<b>X</b>
<b>Will any decisions be automated?</b>  Note – does your system or process involve circumstances where an individual's input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?	<input type="checkbox"/>	<b>X</b>
<b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b>	<input type="checkbox"/>	<b>X</b>
<b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b>	<input type="checkbox"/>	<b>X</b>
<b>Will you be using any novel, or technologically advanced systems or processes?</b>  Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised	<input type="checkbox"/>	<b>X</b>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**