Public Document Pack

Shropshire Council

Date: Wednesday, 13 February 2019

Time: 11.00 am

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

Contact: Amanda Holyoak, Senior Democratic Services Officer
Tel: 01743 257714
Email: amanda.holyoak@shropshire.gov.uk

CABINET

TO FOLLOW REPORT (S)

9 Capital Strategy 2019/20 To 2023/24 (Pages 1 - 34)

Lead Member – Councillor D Minnery – Portfolio Holder for Finance

Report of the Head of Finance, Governance and Assurance (Section 151) – TO FOLLOW

Contact: James Walton Tel: 01743 253705

Committee and Date	Item
Cabinet	
13 February 2019	Public

CAPITAL STRATEGY 2019/20 – 2023/24

Responsible Officer James Walton
e-mail: james.walton@shropshire.gov.uk Tel: 01743 258915

1. Summary

1.1 The Council is required to prepare a Capital Strategy which demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. This is the first year that the Council has had to prepare a Capital Strategy and ensure that the Council is complying with the revised Prudential Code for Capital Finance in Local Authorities that CIPFA published in 2017.

1.2 The strategy gives an overview of how capital expenditure, capital financing and treasury management activities contribute to the provision of services, but importantly considers the associated risks for the future financial sustainability. The strategy also considers the governance surrounding capital investments that has been implemented within the Council.

1.3 The capital programme for 2019/20 to 2021/22 is also considered within the Capital Strategy and schemes are only included within the Capital Programme once they have been approved by the Capital Investment Board following a stringent gateway approval mechanism and the appropriate approval has been sought from Cabinet or Council.

2. Recommendations

2.1 It is recommended that members:

A. Agree and recommend to Council the adoption of the Capital Strategy 2019/20 - 2023/24 attached as Appendix 1.

B. Agree and recommend to Council the revised Capital Programme as set out in the report and detailed at Section 7 and Appendix B to the Capital Strategy

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1. The development of the Council's Capital Strategy is a fundamental process in evaluating the financial risks arising from investment projects, both in terms of the risks arising from the individual projects and the impact that they have on the Council's financial position and sustainability.

3.2. The Strategy outlines the process for evaluating business cases for investment, which always considers the financial and non-financial risks arising from the project.

3.3. The Strategy also focusses on the overall financing capability of the Council to take forward prospective projects and categorises potential projects into investment categories and types. Each investment category and type is evaluated to consider the level of investment risk associated with them. Each investment type is then given a risk score which gives a basis for the level of exposure the Council should expose itself to when considering which capital projects to pursue. Further details of the risk analysis are provided in Section 5 of the Capital Strategy attached.

4. Development of the Capital Strategy

4.1 Since the introduction of the revised Prudential Code for Capital Finance in Local Authorities by CIPFA in 2017, the Council has been considering and evaluating the necessary processes and procedures that we need to have embedded in order to comply with the requirements of the Code.

4.2 Over the last twelve months the "Hopper" process has been developed which provides a clear framework and governance regarding how capital projects will be considered and evaluated within the Council.

4.3 Alongside this, the Council has also been considering the potential investment fund that could be available to take forward prospective projects and has held workshops with officers and members to consider the investment categories and risks that need to be considered when evaluating where the Council invests money into large scale projects.

4.4 The outcome of these activities has enabled the Capital Strategy to be drawn up over the last year and whilst the Strategy detailed in Appendix 1 is the current position of projects and funding available, it is recognised that this will be constantly changing as new projects come forward and business cases are developed to confirm projected figures. It is also recognised that this Strategy and the projects identified within this Strategy need to be consistent with other Corporate Strategies including the Financial Strategy, the Treasury Strategy, the Corporate Plan, the Economic Development Strategy, the Commercial Strategy, the Housing Strategy and the Digital Transformation Strategy. It is anticipated that further work will continue around this over the spring and summer as the longer-term Financial Strategy is developed and other Strategies are reviewed.

5. Capital Programme 2019/20 - 2021/22

5.1 The capital programme for 2019/20 to 2021/22 is shown in the table below and reported in more detail in the Capital Strategy.

Scheme Description	2019/20 Revised Budget £	2020/21 Revised Budget £	2021/22 Revised Budget £
General Fund			
Place & Enterprise	37,252,752	18,817,000	15,001,000
Adult Services	3,600,000	-	-
Public Health	230,000	-	-
Children's Services	14,652,743	3,364,358	1,000,000
Resources & Support	5,000,000	-	-
Total General Fund	**60,735,495**	**22,181,358**	**16,001,000**
Housing Revenue Account	7,600,950	-	-
Total Approved Budget	**68,336,445**	**22,181,358**	**16,001,000**

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Financial Strategy 2018/19 – 2022/23 – Council, 22nd February 2018
Financial Monitoring Report Quarter 3 – 2018/19 – Cabinet, 13th February 2019
Treasury Strategy 2019/20 – Cabinet, 13th February 2019

Cabinet Member (Portfolio Holder)
David Minnery

Local Member
All

Appendices

Appendix 1 - Capital Strategy 2019/20 To 2023/24

This page is intentionally left blank

Capital Strategy 2019/20 to 2023/24

Contents

1. Introduction

2. Objectives

3. Asset Management Planning

4. Commercial Activity & Investment Property

5. Capital & Investment Priorities

6. Governance of the Programme

7. Capital Programme 2018/19 Actual - 2023/24 Estimate

8. Funding the Current Capital Programme 2018/19 Actual - 2023/24 Estimate

9. Approved Capital & Investment Schemes

10. Future Capital & Investment Schemes

Appendix A: Programme Governance

Appendix B: Capital Programme 2019/20 to 2021/22

1. Introduction

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a revised Prudential Code for Capital Finance in Local Authorities (The Code) in 2017. The objectives of the Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

1.2 In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

1.3 The capital strategy is intended to give a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

1.4 Capital investment is technically described as “Expenditure on the acquisition, creation, or enhancement of ‘long term assets’”. This is items of land, property and plant which have a useful life of more than 1 year.

1.5 The Capital Strategy will continue to develop over the coming years as greater certainty over Council resources and responsibilities is ascertained following the roll out of Fair Funding and Business Rates Retention by April 2020. It is anticipated that, in the fulness of time, the arrangements and ambitions set out in this document will be refined to appropriately reflect the nature of Shropshire Council’s Capital Strategy over a 5 to 20-year planning horizon.

2. Objectives

2.1 The key aims of the capital strategy are to:

- Provide a clear set of objectives and a framework, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities of the Councils Corporate Plan;
- Prioritise projects that not only achieve ongoing statutory requirements but also deliver the key underlying objective of all the Council's strategies; to become more financially sustainable.
- Set out how the Council identifies, programmes and prioritises funding requirements and proposals arising from business cases submitted through a Capital Investment Board following a stringent gateway appraisal mechanism comprising of Expression of Interest Case (EOI), Outline Business Case (OBC) and Full Business Case (FBC) before necessary Cabinet and/or Council approval;
- Consider options available for funding expenditure and how resources can be maximised to generate investment. To determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;
- Identify the resources available for investment;
- Ensure the strategy has an overall balance of risk, on a range of projects;
- Establish effective arrangements for the management of expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money, liquidity and yield of investments.

3. Asset Management Planning

3.1 The overriding objective of asset management with the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio consists of operational property, investment property and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:

- Operational purposes, e.g. assets that support core business and service delivery, e.g. schools, office buildings.
- Investment properties held to provide a financial return to the council that supports service provision.
- Parks, playgrounds and open spaces.
- Regeneration, enabling strategic place shaping and economic growth.

3.2 Asset management is an important part of the council's business management arrangements and is crucial to the delivery of efficient and effective services, the ongoing management and maintenance of capital assets will be considered as part of the strategy. The asset management planning includes an objective to optimise the council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

3.3 The council will continue to realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the prevailing market conditions.

3.4 When a capital asset is deemed as surplus, it may be sold so that the proceeds, known as capital receipts, can be spent on planned capital expenditure. Repayments of capital grants, loans and investments also generate capital receipts. The Council already has budget commitments within the current capital programme of projects expected to be funded from capital receipts. The current position of expected capital receipts against budget commitments is as follows:

Detail	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Corporate Resources Allocated in Capital Programme	7,321,041	14,765,473	114,288	-
Capital Receipts used to finance redundancy costs				
To be allocated from Ring Fenced Receipts	4,272,454	7,989,688	2,557,456	-
Total Commitments	**11,593,495**	**22,755,161**	**2,671,744**	**-**
Capital Receipts in hand/projected:				
Brought Forward in hand	20,857,133	11,499,251	(6,720,910)	(8,927,654)
Generated 2018/19YTD	1,932,232	-	-	-
Projected - 'Green'	303,381	4,535,000	465,000	-
Total in hand/projected	**23,092,746**	**16,034,251**	**(6,255,910)**	**(8,927,654)**
Shortfall to be financed from Prudential Borrowing / (Surplus) to carry forward	**(11,499,251)**	**6,720,910**	**8,927,654**	**8,927,654**
Further Assets Being Considered for Disposal	**953,001**	**3,064,544**	**3,400,000**	**-**

3.5 The previous table demonstrates that by 2021/22 the Council will require £8.9m of generated capital receipts to meet its current liabilities within the approved capital programme. Of this budget requirement £7.4m of assets have been identified as surplus to requirements with the potential to dispose, leaving a funding shortfall of £1.5m that will have to be addressed from Prudential Borrowing unless further disposals are forthcoming.

3.6 Asset Management Planning needs full consideration as part of the Capital Strategy to fund future projects that are deemed unsuitable to be funded from Prudential Borrowing as they neither generate new income nor create revenue savings that will fund the resulting MRP requirement. At the point of considering such projects for inclusion in the Capital Programme, asset disposals to fund these projects will form part of the full appraisal process.

4. Commercial Activity & Investment Property

4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income-driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

4.2 In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus / financial return. The council may fund the purchase of the property by borrowing money, normally from the Public Works Loan Board and Debt Management Office as part of HM Treasury. The rental income paid by the tenant(s) should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position and enables the council to continue to provide services for local people.

4.3 The reasons for buying and owning property investments are primarily:

- Financial returns to fund services to residents.
- Market and economic opportunity.
- Economic development and regeneration actively in the council area.

4.4 Historically, property has provided strong investment returns in terms of capital growth and generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant.

4.5 The strategy makes it clear that the council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process.

4.6 CIPFA has recently expressed concerns at the level of borrowing some local authorities have made to invest in commercial property and has reminded councils that local authorities "should avoid exposing public funds to unnecessary or unquantified risk".

4.7 As a result of these concerns there is a distinct possibility that CIPFA will issue additional guidance soon and make it clear that these investment approaches are not consistent with the requirements of fiscal sustainability, prudence and affordability by introducing a cap on borrowing in relation to commercial investment activity.

5. Capital & Investment Priorities

5.1 Underlying the Capital and Investment Strategy is the recognition that the financial resources available to meet capital expenditure priorities are constrained by a significant reduction in financial resources. The Council must therefore rely on internal capital resources including borrowing or external funds and seek ways in which all investment decisions can be no less than self-sustaining financially whilst generating significant positive returns in terms of meeting priorities.

5.2 The Council will assess its overall approach to investment. This will reflect those investments made into the delivery of services and those designed for a wider economic basis. A balanced portfolio approach to investment will ensure an overall net average return reflecting some investments will yield higher returns than others and limit exposure to volatility in any one area.

5.3 The Council envisages that investments can be classified into three main categories being:

- Commercial
- Transformation
- Economic Growth

5.4 **Commercial**

Commercial investments can be sub-divided into several investment types:

Private Commercial (C1)

Build, re-develop, manage, sell property for commercial purposes, for which the Council is predominantly seeking a commercial return rather than another factor, such as economic regeneration.

Public Commercial (C2)

Build, re-develop and manage property specifically designed to deliver services from public sector partners.

Hybrid (C3)

Develop new and innovative solutions that provide a mix between Council Services, Public Sector, Commercial Return and Place Shaping.

Private Housing (C4)

Build, re-develop, manage or sell-on residential housing solutions encompassing all development types including high end to affordable, new build to redevelopment of iconic sites.

5.5 **Transformation**

Transformation investments can be sub-divided into several investment types:

Non-Property Service Investment (T1)

Invest in and re-develop direct service delivery, but not necessarily physical assets or property.

Assets to Manage Growth (T2)

Build, re-develop, manage and deliver services from property specifically designed to deliver core Council services with the key objective being arresting growth in service costs.

Assets to Manage Rationalisation (T3)

Build, re-develop, manage and deliver services from property specifically designed to deliver core Council services with the key objective being rationalisation, reduction and efficiency.

5.6 **Economic Growth**

Economic growth investments can be sub-divided into a few investment types:

Infrastructure (EG1)

Build or commission strategic infrastructure within Shropshire, potentially for commercial return, potentially to reduce costs, potentially to create wider strategic opportunity for development.

Economic Growth (EG2)

Build, re-develop, manage, sell property with a focus on place shaping and regeneration that is financially viable in that, as a minimum, it remains affordable and delivers value for money to the Council.

5.7 Each investment category and investment type are exposed to the following investment risks:

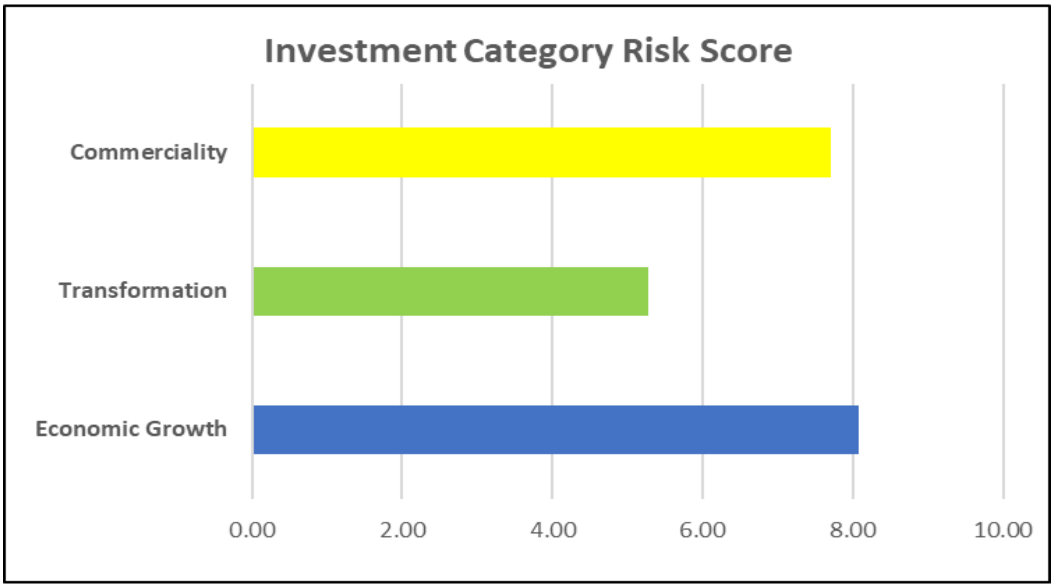
- Technological - impact of the Fourth Industrial Revolution[1].
- Demographic - Ageing population.
- Economic - Economic slowdown/slow recovery, death of the high street, Brexit - business investment in the UK and supply chain disruption.
- Employment - Brexit - large scale involuntary reverse migration.
- Governmental - Regulatory/legislative changes and fiscal impacts.

---

[1] The Fourth Industrial Revolution is the current and developing environment in which disruptive technologies and trends such as the Internet of Things (IoT), robotics, virtual reality (VR) and artificial intelligence (AI) are changing the way we live and work.

5.8 The Council has assessed each investment type in terms of the likelihood and impact of each investment risk and so compiled an investment risk score for each investment type and an overall investment risk score for each investment category.

5.9 The graph below shows the average investment risk score for each of the three investment categories.



5.10 Economic Growth is assessed as the riskiest investment category because of high-risk perception in relation to the impact of the Fourth Industrial Revolution, economic slowdown / slow recovery, death of the high street and Brexit - large scale involuntary reverse migration.

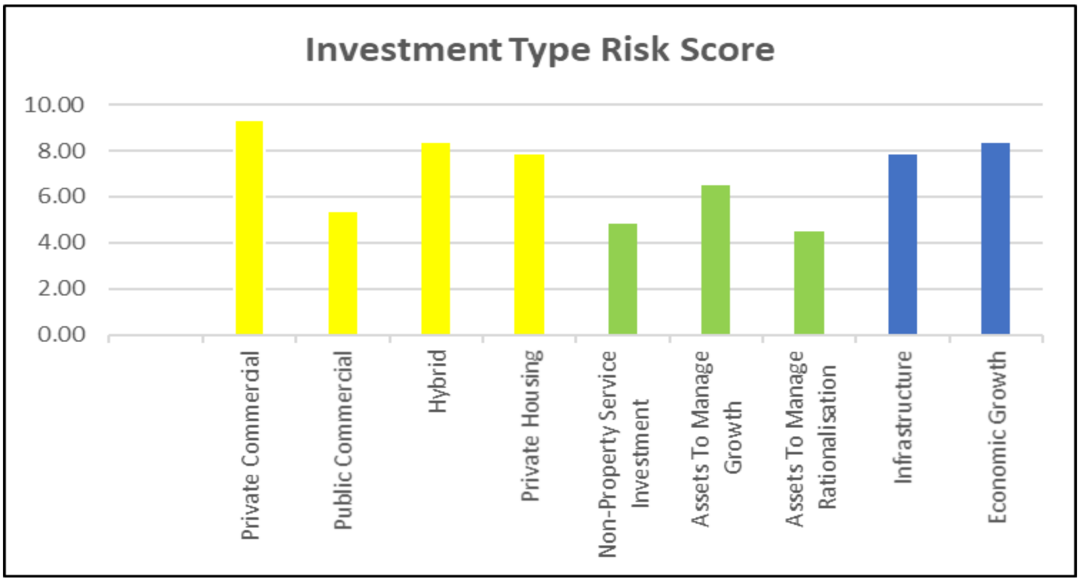
5.11 Economic Growth is closely followed by the Commercial investment category as the result of high-risk perception in relation the impact of the Fourth Industrial Revolution, death of the high street, economic slowdown / slow recovery and regulatory / legislative changes.

5.12 Unsurprisingly, the investment category with the lowest risk perception is Transformation. Essentially this is the Council investing in existing areas of expertise, i.e. investing in and developing direct service delivery either through non-property or assets to transform services and manage service growth and rationalisation.

5.13 Risk is one side of a Risk and Reward assessment that should be made for any proposed investment. It follows that higher risk areas would be expected to deliver a higher financial return. The scope and nature of potential investments that a local authority can make do not necessarily follow this pattern, however, and as such the management of risk at a macro level provides an appropriate level of assurance at early stages of development.

5.14 Diversification across all risks is the key to delivering a balanced portfolio of investment across the Council. It follows, however, that low risk, high return proposals, which may centre around investment in local authority and other public sector bodies' assets, could be an acceptable exception to this general rule.

5.15 The following graph shows the average investment risk score for each of the nine investment types.



5.14 The risk scores for the various investment categories and investment types have been utilised to determine proposed, estimated Investment Fund exposure ranges for each investment type as follows:

Investment Category & Type	Investment Fund Exposure Range (%)		Investment Fund Exposure Range (£150m Investment Fund)	
	Minimum %	Maximum %	Minimum £m	Maximum £m
Commercial	**34.0%**	**44.0%**	**51.0**	**66.0**
- Private Commercial	6.3%	9.3%	9.5	14.0
- Public Commercial	12.2%	15.2%	18.2	22.7
- Hybrid	7.2%	10.2%	10.9	15.4
- Private Housing	7.8%	10.8%	11.7	16.2
Transformation	**38.0%**	**48.0%**	**57.0**	**72.0**
- Non-Property Service Investment	13.1%	17.1%	19.6	25.6
- Assets To Manage Growth	9.2%	13.2%	13.8	19.8
- Assets To Manage Rationalisation	14.2%	18.2%	21.3	27.3
Economic Growth	**13.0%**	**23.0%**	**19.5**	**34.5**
- Infrastructure	6.3%	12.3%	9.4	18.4
- Economic Growth	5.7%	11.7%	8.6	17.6

6. Governance of the Programme

6.1 To ensure that available resources are allocated optimally and deliver value for money, investment programme planning is, whilst having its own approval process, determined in parallel with the service and revenue budget planning process within the framework of the Financial Strategy.

6.2 New programmes of expenditure will be appraised along with other investments and grant allocation programmes following a clearly defined gateway process. The authority will make use of internal officer experience supported by external professional advisors where necessary to ensure robust investment decisions are made. This advice will cover financial, legal, property and economic outcomes through appropriate appointments.

6.3 The authority has an appraisal mechanism in place which will seek to ensure that there is an integrated approach to addressing cross-cutting issues, both internal and external to the authority, developing and improving service delivery through transformation and its investment in pursuance of the authority's over-arching aims. These include Officer Groups which bring together a range of service interests and professional expertise, including:

- Democratic decision-making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the Capital Programme.
- A Capital Investment Board (CIB) which will oversee the investment portfolio. It will be supported by a matrix group of officers of all specialities that will continue to appraise all business plans using independent external advisors if necessary. This will assist the making of investment decisions based on full site investigations, due diligence, funding package, undertaking full risk and reward assessments, life time costings, asset replacement and monitoring the outcome and reviewing those projects already in progress;
- The Senior Programme Officer Group (SPOG) overseeing and approving business cases for investments prior to sign off and for submission to Capital Investment Board and Cabinet/Council approval;
- Specific Project boards of management groups with wide ranging membership to oversee significant development projects as required.

6.4 For projects and programmes an Expression of Interest (EOI) will be submitted that needs to include the investment levels required, source of funding, outcomes to be delivered, risk assessments, appropriate due diligence, repayment mechanisms, revenue impacts and full lifetime costings. These will be scored against an agreed weighting and appropriate recommendations made to the investment board.

6.5 Subject to the EOI proposal being approved a detailed Outline Business Case (OBC) be submitted and appraised prior to a Full Business Case being completed and appended to a cabinet report. A suite of template documents is appended to the OBC to ensure a consistent approach to project delivery. These include;

- Risk Register;
- Life Time Costing Plan;
- Gannt Chart for project timeline;
- Project Board Terms of Reference and Agenda;
- Procurement considerations;
- Project closure report.

6.6 A summary of the programme governance is detailed in Appendix A.

6.7 Future monitoring of the programmes will include more rigorous expenditure profiling, outcome achievements, delivery against timetable, returns, risk assessments and completion reviews for each project.

6.8 Quarterly Capital Programme reports will continue to be submitted to Cabinet that identify changes to the approved programme to reflect;

- New resource allocations
- Rescheduling in programme delivery
- Programmes reduced or removed
- Virements between schemes and programmes to maximise delivery.
- Revisions to spend profile and funding to ensure ongoing revenue costs are minimised.
- Monitor the funding of the programme
- Capital receipts generated

7. Capital Programme 2017/18 Actual - 2021/22 Estimate

7.1 The current projected capital programme is shown below in summary with the full detailed programme included as Appendix B. It includes all projects that have proceeded to approval stage, either via delegated powers or full Cabinet and Council recommendation approvals. It also includes estimates for capital grants for 2019/20 and beyond where there is an expectation that grant funding will continue, such as Highways Maintenance and School Maintenance Grants.

Capital expenditure	**2017/18 Actual**	**2018/19 Estimate**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**
	£ m	**£ m**	**£ m**	**£ m**	**£ m**
Non HRA Capital expenditure	95.4	51.9	56.7	20.5	15.9
HRA Capital expenditure	6.9	8.0	7.6	-	-
Commercial activities/non-financial investments	-	6.0	4.0	1.7	0.1
Total Capital expenditure	**102.3**	**65.9**	**68.3**	**22.2**	**16.0**

7.2 The above table shows the expected capital programme budget as at Quarter 3 2018/19. It will be revised following completion of the 2018/19 capital closedown procedure and when final figures are established, which may result in slippage of budgets from 2018/19 into 2019/20.

7.3 The Council may also receive additional grant notifications throughout the financial year or if bids are submitted for additional grant funding as the year progresses. These changes will be reported as part of the quarterly finance strategy reporting.

7.4 There are several projects being considered that are being processed via the appraisal mechanism that is in place. As these projects have not completed the full cycle of appraisal they are not included in the capital programme budget above but are informed as part of Section 10 “Future Capital & Investments Schemes”, where the impact of having additional budget requirements, and the resulting effect on the Capital Financing Requirement against prudential indicators is fully assessed. As these projects progress through both the appraisal process and the Councils governance requirements they will added into the capital programme.

8. Funding the Current Capital Programme 2017/18 Actual - 2021/22 Estimate

8.1 There are several sources of funding the Council can use to finance its Capital Programme. The Current Programme is funded from the following sources;

- Capital Receipts
- Prudential Borrowing
- Developers Contribution (S106, CIL)
- Revenue Contributions
- Capital Grants
- Cash Balances / Internal Borrowing

8.2 **Capital Receipts**

Capital Receipts come from the sale of the Council's assets. If the disposal is Housing Revenue Account land or property, then the whole receipt is not available to support the capital programme as a percentage must to be paid over to the MHCLG. Where the sale of an asset leads to the requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and provided for, capital receipts will be available to support the capital programme as a corporate resource. Where the asset has been funded from prudential borrowing a review will be undertaken to determine whether the most cost-effective option is to utilise the receipt to repay debt, considering the balance sheet position of the authority.

8.3 **Flexible use of Capital Receipts**

The 2015 Comprehensive Spend Review (CSR) announced that local authorities will be allowed to spend up to 100% of capital receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Instead of holding assets that could be made surplus, councils will be able to sell them to reinvest in their services. Guidance relating to specific conditions, number of years that this will be offered and the qualifying criteria for a 'reform' project was issued as part of the Final Local Government Settlement on 11th March 2016. The key points included:

- The direction only relates to new receipts received in the period 1st April 2016 to 31st March 2019 that could be applied to meet the revenue costs of reform incurred in the same timeframe;
- The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to the authority's net service expenditure and is expenditure on a project where incurring upfront costs will generate ongoing savings; and

- Individual authorities demonstrate the highest standards of accountability and transparency.
- Examples of qualifying expenditure include the sharing of back office and administrative services; investment in service reform feasibility work; collaboration between central and local government to free up land for economic use; funding the cost of service reconfiguration or restructuring leading to ongoing efficiencies; sharing Chief Executives; driving a digital approach; aggregating procurement on common goods; improving systems and processes to tackle fraud; setting up commercial or alternative delivery models to deliver services more efficiently or increase revenue income; and integrating public facing services across two or more public sector bodies

8.4 **HRA Right to Buy Receipts**

In most cases there will be no ring fencing of capital receipts to specific projects. One exception to this is the retained Right to Buy (RTB) receipts held by the Council under the agreement signed in June 2012 and amended in June 2013. Under this agreement any retained RTB receipts, which are not used for the specific purpose of providing replacement affordable housing, must be returned to MHCLG.

8.5 **Prudential Borrowing**

The Council will investigate opportunities to resource capital projects using prudential borrowing where plans are sustainable, affordable and prudent. Full appraisal will take place to ensure that, where appropriate, sufficient revenue returns are generated to cover the cost of borrowing.

Where it is considered that prudential borrowing is the appropriate method of funding, but it requires additional revenue financing, the cost will be built into the revenue budget planning process. There are various debt instruments available for financing prudential borrowing and these are explored in detail in the Treasury Management Strategy.

The PWLB remains the Council's preferred source of long-term borrowing given the transparency and control that its facilities continue to provide. The Council qualified for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a twelve-month period from 01/11/2018, through its application via the 2018/19 Capital Estimates Return.

8.5 **S106 Developer Contributions**

S106 agreements are made with developers / landowners as part of the planning approval process to ensure that new development mitigates its own impact and provides the necessary infrastructure to support it.

These contributions are site specific or can be 'pooled' for a maximum of 5 site specific projects. Any contributions received are 'ring-fenced' for the purpose as set out in the relevant S106 agreement and are applied to fund schemes within the relevant capital programme once an eligible scheme has been identified.

S106 contribution agreements have covered all types of infrastructure including transport, affordable housing, play areas, open spaces, playing fields, public realm and public art. However, since the Council adopted CIL the planning obligations sought within S106 agreements have been scaled back to deal with only site-specific requirements, as required by the CIL Regulations. Pooled contributions previously sought for strategic transport, public realm and public open space related obligations are now dealt with by CIL.

The S106 contributions are time limited in that if they are not spent within an agreed timescale, typically 5 – 10 years, dependent on what has been agreed in the S106 agreement and any funds not spent in line with the agreement would have to be repaid to the developer, which, may include interest.

Consideration of available S106 funding should be taken into consideration when agreeing, for example, the roads programme for future years to maximise the use of the available funding and reduce the reliance on other sources of funding, predominantly borrowing. With the exception of funding for affordable housing the other pooled S106 obligations, such as Strategic Transport, Public Realm and Public Open Space will become zero over time as the CIL continues to be applied.

8.6 **Community Infrastructure Levy (CIL)**

CIL contributions are determined by set rates as detailed within the Council's CIL Charging Schedule and based on the amount of floor space being created by the development. CIL can be used to fund a wide range of infrastructure that is needed as a result of new development but is not site specific, giving more flexibility in where the funding can be used in geographical terms.

The CIL does not replace the requirement of S106 contributions. S106 contributions will still be relevant and will be sought alongside CIL.

The Planning Act and subsequent Community Infrastructure Levy Regulations 2010 (as amended) says that authorities can only spend CIL on providing infrastructure to support the development of their areas. This includes flood defence, open space, recreation and sport, roads and transport facilities, education and health facilities. However, it does not include affordable housing, which will continue to be funded by S106 obligations.

8.7 **Revenue Contributions**

An element of the revenue budget can be set aside to fund the capital programme (Direct Revenue Financing). However, with increasing General Fund revenue pressures these amounts available are reducing. A service or school may wish to offer some of its revenue budget to support the financing of a capital project. This is acceptable if it can be demonstrated that this funding is unfettered.

8.8 **Government Grants**

Capital resources from Central Government can be split into two categories:

- *Non-ring fenced* - resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding and the Council will initially allocate these resources to a general pool from which prioritised schemes can be financed.
- *Ring-fenced* - resources which are ring fenced to particular areas and therefore have restricted uses, specified by the funder.

8.9 **Non-Government Contributions**

Where there is a requirement to make an application to an external agency to receive external funding, and when appropriate to commit Council resources as matched funding to any bid for external resources, a business case should first be presented for consideration to the CIB. The business case must demonstrate how the project aligns to Council's priorities and how matched funding and any revenue consequences can be managed within the context of the capital and revenue budget.

8.10 **Funding Summary of the Capital Programme 2017/18 - 2021/22**

The current projected capital programme is financed as follows:

Financing of capital expenditure	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	Actual	**Estimate**	**Estimate**	**Estimate**	**Estimate**
	£ m	**£ m**	**£ m**	**£ m**	**£ m**
Capital receipts	4.5	7.3	14.7	0.1	-
Capital grants	38.5	41.4	38.3	20.4	15.9
Other Contributions	0.8	3.2	2.9	-	-
Major Repairs Allowance	1.8	6.4	3.9	-	-
Revenue	3.7	0.9	4.2	-	-
Prudential Borrowing	53.0	6.7	4.3	1.7	0.1
Total financing	**102.3**	**65.9**	**68.3**	**22.2**	**16.0**

The term Prudential Borrowing above does not automatically lead to external borrowing as the Council may be able to use cash it holds in reserves and as working capital which is usually termed internal borrowing. Over time all debt whether it be internal or external borrowing must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). The Council is required to make annual MRP statement which is included within the annual Treasury Management Strategy report. The project appraisal process ensures that all projects that are not fully funded from secured grants or capital receipts are assumed to be funded from Prudential Borrowing and must demonstrate that any future borrowing requirement is affordable and sustainable within the requirements of the project.

The current MRP budget requirements based on the estimated capital programme above are as follows:

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	£ m	£ m	£ m	£ m	£ m
MRP (excluding PFI)	5.8	4.2	4.6	4.8	4.8

9. Approved Capital & Investment Schemes

9.1 To date several Expressions of Interest (EoIs) have been submitted to the Senior Project Officer Group (SPOG), considered and scored against an agreed weighting by the SPOG Appraisal Group and appropriate recommendations made to SPOG and subsequently Capital Investment Board.

9.2 These schemes and programmes are currently at various stages of approval and are either detailed below as approved capital schemes and so included in the Council's Capital Programme or in Section 10 "Future Capital & Investment Schemes".

9.3 Several projects and programmes were approved by the Capital Investment Board to proceed to Outline Business Case (OBC) and / or Full Business Case (FBC) and subsequently approved as investment schemes or programmes by Cabinet and / or Council. A summary of these projects and programmes is detailed below:

- Shrewsbury Shopping Centres.
- The Tannery Development.
- Whitchurch Medical Practice.

9.4 In future the actual performance (forecast and actual net yield against target) of approved schemes and programmes in delivery will be tracked against both the Council's target yield of 5% and the forecast yield of the schemes and programmes.

9.5 Shrewsbury Shopping Centres is currently the sole project in delivery. Both the Tannery Development and Whitchurch Medical Practice have been approved by Council but have yet to commence.

9.6 The table below summarises the performance of these schemes and programmes:

Scheme / Programme	Investment £'000s	Target Yield 5% £'000s	Forecast Yield %	Forecast Yield £'000s	Actual Yield £'000s
Shrewsbury Shopping Centres	52,732	2,637	5.12%	2,700	2,400
The Tannery	8,020	401	2.00%	56	N/A
Whitchurch Medical Centre	3,778	189	1.99%	75	N/A
Total	**64,530**	**3,227**		**2,831**	**2,400**

9.7 Each scheme and programme will be categorised to one of the nine investment types discussed in Section 5 "Capital & Investment Priorities" and so enable the level of investment in each type to be tracked in relation to the investment fund exposure ranges determined in the same section.

9.8 The table below details the investment categories and types of the currently approved schemes and programmes.

Scheme / Programme	Investment £'000s	Investment Category	Investment Type
Shrewsbury Shopping Centres	52,732	Economic Growth	Economic Growth
The Tannery	2,776	Commercial	Private Commercial
The Tannery	5,244	Commercial	Public Commercial
Whitchurch Medical Centre	3,778	Commercial	Public Commercial

10. Future Capital & Investment Schemes

10.1 The main objective for the introduction of the Capital Strategy requirement was in response to the major expansion of local authority investment activity into the purchase of non-financial investments, particularly property. The capital strategy therefore requires local authorities to assess investments over the long-term as opposed to the usual three years that planning has been conducted over.

10.2 Section 7 of this strategy details the current approved capital programme for the three years to 2021/22. The projects included within this programme have progressed through the governance process and are deemed to have been assessed fully to ascertain the outcomes of the project against criterion of risk and reward.

10.3 In order to comply with the requirement to consider capital expenditure over a medium to long-term period and to determine the financial sustainability of the authority, focusing on the affordability of the capital programme, Shropshire Council has compiled a planned programme of both Capital and Investment Scheme expenditure that is proposed but is yet to complete the full due diligence process.

10.4 All projects being considered have been evaluated to establish an estimated cost, delivery timeline and categorisation against investment type to produce a proposed capital programme 2019/20 to 2023/24 which totals £289.9m and is summarised as follows:

Category	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Commercial						
Private Commercial	3.200	5.000	1.000			9.200
Public Commercial						
Hybrid	1.150	10.000	10.000	2.650		23.800
Private Housing	8.000	13.000				21.000
Transformation						
Non -Property Service Investment						
Assets to Manage Growth	2.210	2.000	4.000	4.000		12.210
Assets to Manage Rationalisation	2.000	12.000	12.000	2.000	2.000	30.000
Economic Growth						
Infrastructure	12.629	15.629	8.628	33.000	33.000	102.886
Economic Growth	5.100	18.584	12.146	15.000	40.000	90.830
Total	**34.289**	**76.213**	**47.774**	**56.65**	**75.000**	**289.926**

10.5 All capital expenditure must be financed. Some of the proposed projects above have been identified as securing Government and External Grants to the sum of £58.946m as part of their deliverability and also the utilisation of Developer contributions to those deemed infrastructure requirements as a result of growth to the sum of £22m. There is a remaining requirement for financing by Shropshire Council of £187.002m from either Capital Receipts or Prudential Borrowing. The planned financing of the proposed expenditure is as follows:

Financing the future capital programme:

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m	£m
Government Grants	1.649	1.649	6.648	33.000	16.000	58.946
External Grants	3.600	11.750	0.688			16.038
Developer Contributions	7.000	7.000	4.000	4.000		22.000
Salix Loan	1.980	1.980	1.980			5.940
Capital Receipts	7.500	25.500	18.000	2.000	19.000	72.000
Prudential Borrowing	12.560	28.334	16.458	17.650	40.000	115.002
Total	34.289	76.213	47.774	56.650	75.000	289.926

10.6 In the above table, financing of the proposed capital programme required several proposed projects to be categorised as funded from either Capital Receipts or from Prudential Borrowing. Those projects considered not to be of an investment nature, and therefore not expected to generate a new income stream or operational savings to finance future debt repayment have been shown as funded from Capital Receipts as the preferred route. This includes infrastructure development or asset management schemes that cannot be funded from other sources. The total of the schemes identified as non-investment activity, and thus requiring Capital Receipt financing, total £72m.

10.7 The current known Capital Receipt position detailed in section 3.5 above highlights a shortfall in funding the current three-year approved capital programme of £1.5m. Adding in a further Capital Receipt funding requirement for the proposed future programme will add to this shortfall that would require the Council to fund through Prudential Borrowing if the gap cannot be addressed over the five-year period.

10.8 An updated forecast Capital Receipt position, taking in the current approved programme and required future programme has been calculated as follows:

Capital receipt position	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Allocated to capital programme	30.2	28.2	18.0	2.0	19.0	97.4
Capital receipts in hand/projected:	11.5					11.5
Projected Green	4.5	0.5				5.0
Projected Red/Amber	1.0	3.0	3.4			7.4
Further Assets for Disposal		2.0	9.0	9.0	10.0	30.0
Shortfall/(surplus)	13.2	22.7	5.6	(7.0)	9.0	43.5

10.9 This demonstrates that the Council could have a potential shortfall in Capital Receipts required to finance the proposed capital programme of £43.5m by the year 2023/24 which could require financing from Prudential Borrowing if not addressed by a review of the Council's Asset Management Strategy. This will require the Council to realise the value of any properties or land that have been declared surplus to requirements, having regard to the prevailing market conditions in a timeframe required to deliver the Capital Strategy.

10.10 The remainder of the financing requirement to deliver the proposed capital programme has been identified as funded from Prudential Borrowing. This currently totals £115.002m over the next five years and is linked to projects identified as investment type proposals. This assumption will be given fuller consideration during the due diligence process, with proposed projects having to demonstrate full affordability of any debt financing requirements as part of the Business Case completion.

10.11 As Business Cases progress through the governance process put in place, the financing requirement will be reflected both in the capital financing requirement (CFR) calculation and in the future Treasury Management Strategy.

10.12 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, lease principal repayments and capital receipts used to replace debt. The CFR is expected to increase by £115.002m over the period 2019/20 to 2023/24 if the proposed capital programme progresses. Based on the above figures for expenditure and financing, the Council's estimated CFR will be as follows, which includes HRA CFR.

	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**
	£m	**£m**	**£m**	**£m**	**£m**
Total CFR	397	417	423	430	459

10.13 Statutory guidance states that debt should remain below the capital financing requirement, except in the short term. The Council's projected level of outstanding debt which includes borrowing to fund the proposed capital programme is shown below, compared with the capital financing requirement. This demonstrates that the Council expects to comply with this in the medium term.

	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**
	£m	**£m**	**£m**	**£m**	**£m**
Current debt	308	304	342	342	336
New proposed borrowing		50			50
Total forecast debt	308	354	342	342	386
CFR	397	417	423	430	459

10.14 As discussed in Section 9 "Approved Capital & Investment Schemes" proposed investment schemes and programmes are at various stages of approval. The vast majority of investment schemes and programmes are currently progressing through the governance process. Consequently, there are schemes and programmes currently under consideration which may or may not progress to full approval and delivery.

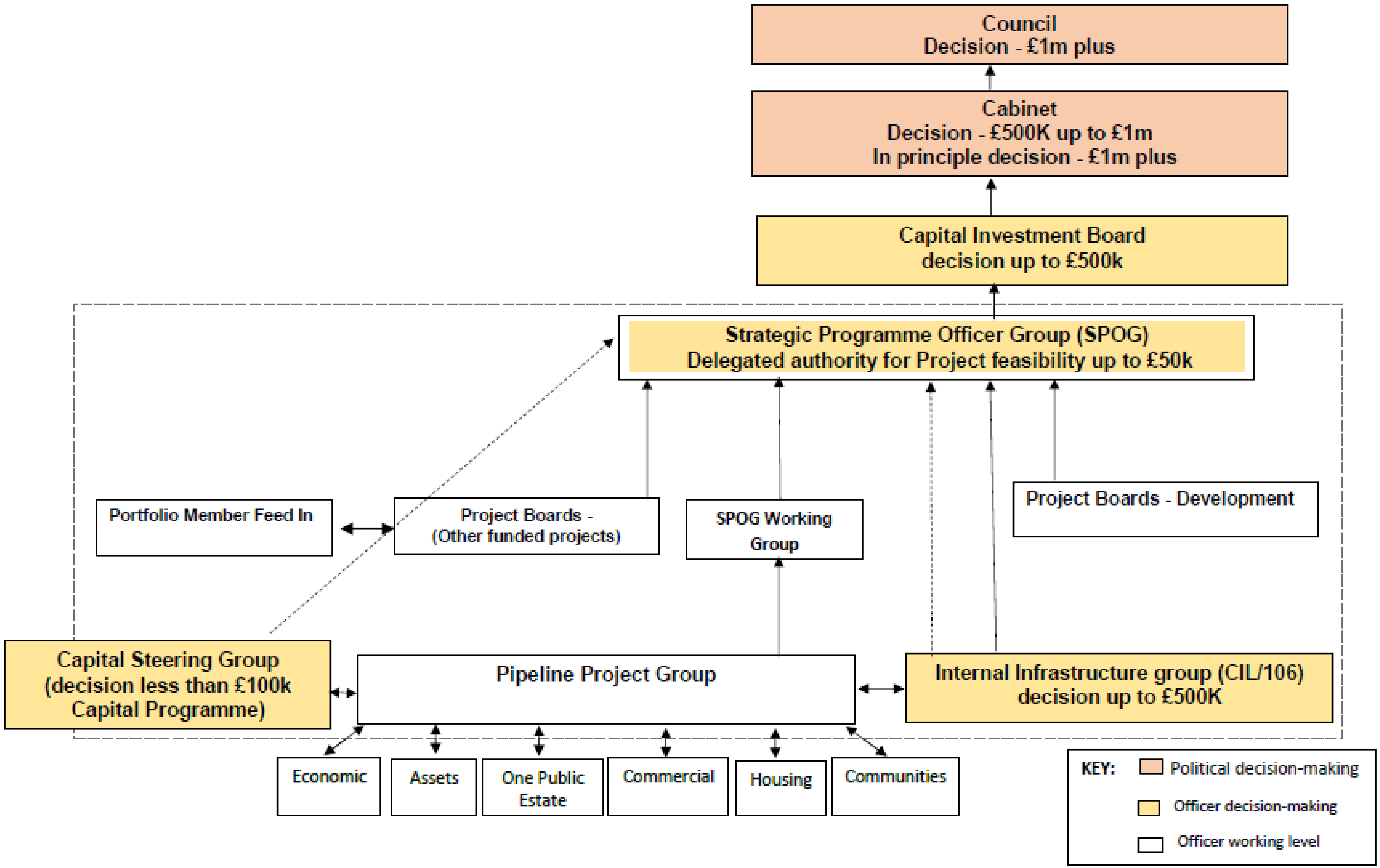
10.15 At present, the Council has a portfolio of potential capital and investment schemes and programmes totalling £252m over the period 2019/20 to 2023/24 which are at various stages of the approval process. This includes almost £65m for schemes in the current capital programme, plus a further £187m for proposed schemes, giving a total of £252m, and excludes schemes expected to be funded from grants, loans and contributions. The table below summarises these potential capital and investment schemes by investment category and investment type.

Investment Category / Type	Approved Investments	Potential Future Investments	Total Projected Investments	Investment Fund Exposure	Investment Fund Exposure Range %	
	£m	£m	£m	%	Minimum %	Maximum %
Commercial						
- Private Commercial	2.776	9.200	11.976	4.8	6.3	9.3
- Public Commercial	9.022	0.000	9.022	3.6	12.2	15.2
- Hybrid		23.800	23.800	9.5	7.2	10.2
- Private Housing		21.000	21.000	8.3	7.8	10.8
Commercial Total	**11.798**	**54.000**	**65.798**	**26.2**	**34.0**	**44.0**
Transformation						
- Non-Property Service Investment		0.000	0.000	0.0	13.1	17.1
- Assets To Manage Growth		2.210	2.210	0.9	9.2	13.2
- Assets To Manage Rationalisation		30.000	30.000	11.9	14.2	18.2
Transformation Total	**0.000**	**32.210**	**32.210**	**12.8**	**38.0**	**48.0**
Economic Growth						
- Infrastructure		18.000	18.000	7.2	6.3	12.3
- Economic Growth	52.732	82.792	135.524	53.9	5.7	11.7
Economic Growth Total	**52.732**	**100.792**	**153.524**	**61.0**	**13.0**	**23.0**
Total	**64.530**	**187.002**	**251.532**			

10.4 With both the currently approved and future potential schemes and programmes, the Council will be significantly overexposed in the Economic Growth investment category and type. In addition, the Council would be relatively under exposed to Public Commercial and Non-Property Service investments. To address this potential variance, the Council could reconsider its risk appetite, assess this exposure at a more granular level, consider risk and reward potential, review timing of investments to take account of developing and maturing risks and/or prioritise or reassess the identified future potential schemes and programmes to redistribute the exposure to risk. This assessment will be undertaken, as set out within this document, ahead of any proposal being added to the Capital Programme.

Appendix A

Programme Governance



Shropshire Council - Capital Programme 2019/20 To 2021/22

Scheme Description	Code	Portfolio Holder	Project Manager	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
Place & Enterprise						
Infrastructure & Communities						
Leisure						
Shrewsbury Sports Village 3G Pitch Replacement	KCL02	Lezley Picton	P Davis	350,000		
Total				350,000	-	-
Waste Management						
In Vessel Composting Facility	K6WM0	Robert Macey	P Beard	325,000	-	
Total				325,000	-	-
Highways & Transport - LTP						
Structural Maintenance of Roads						
Structural Maintenance of Principal Roads		Steve Davenport	T Sneddon	1,380,000	1,172,000	-
Structural Maintenance of Secondary Roads		Steve Davenport	T Sneddon	-	-	-
Structural Maintenance of all Roads		Steve Davenport	T Sneddon	11,275,000	13,275,000	13,275,000
Total				12,655,000	14,447,000	13,275,000
Integrated Transport Unallocated						
Countywide						
ITP Countywide - Unallocated	KT000	Steve Davenport	V Merrill	1,126,000	1,442,761	1,626,000
Total				1,126,000	1,442,761	1,626,000
Total Integrated Transport Plan				1,126,000	1,442,761	1,626,000
Total Highways & Transport - LTP				13,781,000	15,889,761	14,901,000
LEP Schemes						
LEP Oxon Relief Road Project	KOX01	Steve Davenport	M Johnson	1,507,927	-	
LEPSITP - Project Management/Design	KIT01	Steve Davenport	M Johnson	879,079	183,239	-
Total				2,387,006	183,239	-
Flood Defences & Water Management						
Church Stretton - Flood & Water Management	K6FW3	Steve Davenport	T Sneddon	70,000	375,000	
Shifnal - Flood & Water Management	K6FW4	Steve Davenport	T Sneddon	450,000	-	
Shropshire Slow the Flow Project	KEF01	Steve Davenport	T Sneddon	185,000	191,000	
Total				705,000	566,000	-
Environmental Maintenance - Depots						
Depot Redevelopment - Unallocated	K6H03	Steve Davenport	S Brown	93,456	-	
Depot Redevelopment - Stourbridge Road Bridgnorth - Salt Dome	K6H10	Steve Davenport	S Brown	100,000	-	
Depot Redevelopment - Manor House Lane Store	K6H11	Steve Davenport	S Brown	50,000	-	
Total				243,456	-	-
Environmental Maintenance - Car Parks Major Works						
Parking Stratgey - Car Park Machines	KEC03	Steve Davenport	Z Mortimer	252,000		
Total				252,000	-	-
Visitor Economy						
Venues & Programmes						
Ludlow Assembly Rooms - Refurbishment Works	KBT00	Lezley Picton	S Law	100,000		
Total				100,000	-	-
Outdoor Partnerships						
Whitchurch Skate Park (S106)	KBR10	Lezley Picton	S McCarthy	1,949	-	
Severn valley Country Park RPA Extension	KBR11	Lezley Picton	M Blount	62,550	-	
Total				64,499	-	-
Total Infrastructure & Communities				18,207,961	16,639,000	14,901,000
Economic Development						
Physical Regeneration						
Growth Point						
Flaxmill Project - Implementation	K6FM1	Nicholas Laurens	G Davies	1,000,000	-	
Total				1,000,000	-	-
Natural & Historical Environment						
Old Rectory, Whitchurch Section 106	KBN01	Robert Macey	A Cooper	150,000	-	
Total				150,000	-	-
Planning Policy - Affordable Housing						
Affordable Housing - Rolling Fund	K6AHG	Robert Macey	N wood	180,000	-	
Total				180,000	-	-
Broadband						
Broadband Project - Phase 1 - BT	KB000	Nicholas Laurens	C Taylor	3,000,000	-	
Broadband Project - Phase 2 - BT	KB004	Nicholas Laurens	C Taylor	1,000,000	-	

Shropshire Council - Capital Programme 2019/20 To 2021/22

Scheme Description	Code	Portfolio Holder	Project Manager	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
Broadband Project - Phase 3 - Airband	KB008	Nicholas Laurens	C Taylor	6,758,000	500,000	-
Broadband Project - Phase 5 - TBC	KB010	Nicholas Laurens	C Taylor	1,856,791	-	-
Total				12,614,791	500,000	-
Total Economic Development				13,944,791	500,000	-
Business Enterprise & Commercial Services						
Strategic Asset Services						
Corporate Landlord						
Corporate Landlord Unallocated	KRP00	Nicholas Laurens	S Law	1,000,000		
The Tannery Development	KRP06	Nicholas Laurens	S Law	2,000,000	-	
Whitchurch Medical Practice	KRP40	Nicholas Laurens	S Law	2,000,000	1,678,000	100,000
Total				5,000,000	1,678,000	100,000
Gypsy Sites						
Boars Den Gypsy Transit Site	K6T06	Joyce Barrow	S Law	100,000	-	
Total				100,000	-	-
Total Strategic Asset Services				5,100,000	1,678,000	100,000
Total Business Enterprise & Commercial Services				5,100,000	1,678,000	100,000
Total Place & Enterprise				37,252,752	18,817,000	15,001,000
Adult Services						
Housing Health & Wellbeing						
Disabled Facilities Grants - Fast track system	K5P02	Lee Chapman	A Begley	800,000	-	
Disabled Facilities Grants	K5P03	Lee Chapman	A Begley	1,000,000	-	
HOLD Project	K5P04	Lee Chapman	A Begley	1,800,000	-	
Total				3,600,000	-	-
Total Adult Services				3,600,000	-	-
Public Health						
Private Sector Housing						
Whitchurch Area Empty Property Incentive Grant	K5P17	Lee Chapman	K Collier	30,000	-	
Shropshire County Empty Property Incentive Grant	KPS01	Lee Chapman	K Collier	200,000	-	
Total				230,000	-	-
Total Public Health				230,000	-	-
Resources & Support						
Customer Involvement						
ICT Digital Transformation						
ICT Digital Transformation - Unallocated	KIC00	Steve Charmley	M Leith	5,000,000	-	
Total				5,000,000	-	-
Total Resources & Support				5,000,000	-	-
Children's Services						
Children's Safeguarding						
Learning & Skills						
Early Years						
Early Years Unallocated	KLE00	Nicholas Bardsley	N Ward	40,000	-	
Total				40,000	-	-
Basic Need						
Basic Need Unallocated	KLB00	Nicholas Bardsley	P Wilson	7,994,776	1,697,691	
Market Drayton Infant - Place Planning	KLB05	Nicholas Bardsley	P Wilson	400,000	-	
Shifnal St Andrews 2 Class Extension	KLB06	Nicholas Bardsley	P Wilson	500,000		
Market Drayton Junior - Place Planning	KLB08	Nicholas Bardsley	P Wilson	430,000	-	

Shropshire Council - Capital Programme 2019/20 To 2021/22

Scheme Description	Code	Portfolio Holder	Project Manager	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
Whitchurch Infants - 2 x Classroom Reconfiguration	KLB10	Nicholas Bardsley	P Wilson	205,000		
Meole Brace Primary 2 Class Extension	KLB11	Nicholas Bardsley	P Wilson	420,000		
Mereside Primary - 1 x Classbase and Reconfiguration	KLB12	Nicholas Bardsley	P Wilson	400,000		
Baschurch Primary	KLB13	Nicholas Bardsley	P Wilson	235,000		
Hadnall Primary 1 Class Extension	KLB14	Nicholas Bardsley	P Wilson	305,000		
Whitchurch Junior - 2 Class Extension & Refurbishment	KLB15	Nicholas Bardsley	P Wilson	570,000		
Total				**11,459,776**	**1,697,691**	-
Suitability						
Norbury Primary- PPA Space	KLS12	Nicholas Bardsley	P Wilson	76,300	-	
Total				**76,300**	-	-
Condition						
Condition Unallocated	KL000	Nicholas Bardsley	P Wilson	2,390,000	1,500,000	1,000,000
Total				**2,390,000**	**1,500,000**	**1,000,000**
Special Education Needs						
Schools Access Initiative Unallocated	KLD00	Nicholas Bardsley	P Wilson	20,000	-	
Special Provision Funds Allocation	KLD06	Nicholas Bardsley	P Wilson	166,667	166,667	-
Total				**186,667**	**166,667**	-
Devolved Formula Capital - Allocated by schools		Nicholas Bardsley	P Wilson	500,000	-	-
Total Learning & Skills				**14,652,743**	**3,364,358**	**1,000,000**
Total Children's Services				**14,652,743**	**3,364,358**	**1,000,000**
Total General Fund Capital Programme				**60,735,495**	**22,181,358**	**16,001,000**
Housing Revenue Account						
Major Repairs Programme - Unallocated						
Housing Major Repairs Programme	K5P01	Lee Chapman	A Begley	3,760,950	-	
Total				**3,760,950**	-	-
Major Repairs Programme - STAR Housing Contracts						
STaR PSH Adaptations Grant	KSH12	Lee Chapman	A Begley	140,000		
Total				**140,000**	-	-
New Build Programme						
Housing New Build Programme - Phase 5	KSNB5	Lee Chapman	A Begley	3,700,000	-	-
Total				**3,700,000**	-	-
Total Housing Revenue Account				**7,600,950**	-	-
Total Capital Programme				**68,336,445**	**22,181,358**	**16,001,000**

This page is intentionally left blank