

**PART 1**

**1.0 INTRODUCTION**

Breckland Council renews its Capital Strategy on an annual basis. This ensures a strategy that maintains a strong and current link to our Corporate Plan.

Our Corporate Plan priorities are:

- Your Place
- Your Health and Wellbeing
- Your Opportunity
- Our Council

This Strategy aims to drive the authority's capital investment ambition whilst ensuring capital expenditure, capital financing and treasury management are appropriately aligned and managed to support sustainable, long term delivery of services.

It includes the Council's approach to commercial activity and its policies and investment management practices for financial and non-financial investments.

The management and monitoring of the Treasury Management Policies and Prudential indicators (for financial and non-financial investments) remains the responsibility of Full Council (via the Governance and Audit Committee).

The Strategy is set out as follows:

- 1.0 Introduction
- 2.0 Core strategy principles
- 3.0 Strategic context
- 4.0 Non-financial investments
- 5.0 Capital resources and financing
- 6.0 Framework for management and monitoring
- 7.0 Risk and mitigation

## PART 2

### 2.0 CORE STRATEGY

This Core strategy explains how we will manage our capital resources to deliver our current and foreseeable capital programme. From 2021 to 2024 the Council is likely to need investment to advance the priorities stated within its corporate plan and will need to adopt a responsive and flexible approach to how it invests in services. In order to deliver the corporate plan priorities we need to deliver efficiencies, seek additional funding and periodically review both the consumption of our capital resources and our stated priorities. We will ensure this happens through these 5 core principles:

<b>Principle 1 – Managing the impact of investment decisions on our revenue budgets</b>
We will do this by,
<ul style="list-style-type: none"><li>• Ensuring capital investment decisions do not place additional pressure on Council Tax or our Medium Term Financial Plan</li></ul>
<ul style="list-style-type: none"><li>• Promoting capital investment which allows either invest to save outcomes or generates revenue/capital income to support the objectives of the Council</li></ul>
<ul style="list-style-type: none"><li>• Setting a rolling 4 year capital programme annually and identify future risks/unfunded items to support longer term decision making/prioritisation</li></ul>
<b>Principle 2 - Ensure decisions to invest are transparent and demonstrate the extent to which the capital invested is placed at risk including the impact of any potential losses on the financial sustainability of the Council is understood</b>
We will do this by,
<ul style="list-style-type: none"><li>• Maintaining a schedule of financial and non-financial investments</li></ul>
<ul style="list-style-type: none"><li>• Using performance Indicators to ensure the proportionality of all investments so that the Council does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources</li></ul>
<ul style="list-style-type: none"><li>• Using Treasury Management Practices (TMP's) which specifically deal with how non treasury investments will be carried out and managed</li></ul>
<ul style="list-style-type: none"><li>• Ensuring that due diligence has been carried out on all non-financial investments and is in accordance with the risk appetite of the authority</li></ul>
<b>Principle 3 – Optimise the availability of capital funding where that funding supports the priorities of Breckland Council</b>
We will do this by,
<ul style="list-style-type: none"><li>• Disposal of surplus or poor performing assets and use the funds to reinvest</li></ul>
<ul style="list-style-type: none"><li>• Having effective working relationships with potential funders</li></ul>
<ul style="list-style-type: none"><li>• Listening to and supporting effective partnering arrangements</li></ul>
<ul style="list-style-type: none"><li>• Accessing external funding wherever possible</li></ul>
<b>Principle 4 – Ensure we have an effective approval process and pre/post project appraisal</b>
We will do this by,
<ul style="list-style-type: none"><li>• Ensuring a system of competition exists for project approval – bid forms</li></ul>
<ul style="list-style-type: none"><li>• Due diligence in project appraisal, fully considering project risk</li></ul>
<ul style="list-style-type: none"><li>• Robust financial evaluation, carefully considering Value For Money (VFM) and Efficiency of every project and outcomes</li></ul>
<ul style="list-style-type: none"><li>• Ensuring our capital schemes use appropriate project management tools appropriate to the project's size</li></ul>
<b>Principle 5 – Ensure effective performance reporting and management of capital programme</b>
We will do this by,
<ul style="list-style-type: none"><li>• Reporting on the capital programme via monthly monitoring and quarterly Cabinet reporting</li></ul>
<ul style="list-style-type: none"><li>• Ensuring responsibility for the delivery of the capital programme is clearly defined and the relevant parties have adequate expertise</li></ul>

## **PART 3**

### **3.0 STRATEGIC CONTEXT**

#### **3.1 Aims of the Capital strategy**

The aim of this strategy is to ensure delivery of the Corporate Plan Priorities and ensure support for the delivery of the Council's core functions.

Specific aims are to ensure:

- Physical assets and related resources are efficiently and effectively used to support the Breckland Council Corporate Plan.
- Issues related to property and other assets are fully reflected in the Council's planning, specifically adequate funds for maintenance are available and prioritised to the assets which generate the majority of income;
- The strategy itself is a useful tool to assist stakeholders understanding of the Council's decision making process and project management of its capital investments;
- Adequate provision is made for delivering corporate priorities and demonstrated through effective resource allocation;
- Invest to save and invest to earn projects and projects which generate an ongoing revenue return or economic benefits are encouraged;
- The Council works within the prudential code framework and demonstrates robust and linked capital and treasury management;
- Review of the asset management plans to identify surplus or poor performing assets which can move through a disposal process to generate new capital resources;
- Capital spending plans are affordable and integrated with the Medium Term Plan (MTP);
- Inward investment into the district is encouraged and innovative approaches to investment such as partnerships with the Private Sector, collaborative arrangements with other Local Authorities and creation of new delivery vehicles:
- Resources are managed to meet our short, medium and longer term Corporate priorities.

#### **3.2 Strategic Links**

This strategy is a high level summary of Breckland Council's approach to capital investment. It guides the development of service capital plans, and sets out the policies and practices that the authority uses to establish monitor and manage the Council's capital programme, in line with the MTP.

The priorities in the corporate plan provide the backdrop to the MTP which in turn ensures all new resources, be it revenue or capital, are allocated through the principles on which it is based.

This strategy is linked to a number of corporate strategies and initiatives, underpinned by the Breckland Council Corporate Plan. The key strategies and initiatives impacting on capital are:

- Corporate Asset Management Strategy (part 4 of this strategy)
- Risk Management Policy (part 7 of this strategy)
- Treasury Management and Investment Strategy
- Medium Term Financial Plan (MTP)
- ICT Strategy
- Digital Strategy
- Housing Strategy

### **3.3 ICT Strategy**

The ICT Strategy is used to manage the assets which are the communications and computer systems and infrastructure. Funding is allocated for this in the capital programme and over the longer term the ICT service provides some revenue funding (through savings) to cover future capital investment. ICT is now a critical service, able to transform the way other services are designed and delivered and plays a fundamental role in improving efficiency and reducing cost across the Council.

### **3.4 Digital Strategy**

The strategy vision is to provide high quality, easy-to-use services that are designed with customers in mind, delivered efficiently with improved value for money. The strategy aims are to give staff and elected Members the right digital tools and training to work 'smarter', minimise internal costs of services and generate revenue by making it easier and more convenient to pay online and use digital marketing to promote our traded services. ICT is the foundation for delivery of the digital strategy and funding will be allocated in the capital programme as appropriate.

### **3.5 Housing**

This capital strategy can support the housing needs of the Council, stimulating good quality new build housing and enabling delivery of affordable housing and temporary accommodation. The Housing Assistance Policy provides access to grants for vulnerable residents funded by The Disabled Facilities Better Care Fund. Section 106 affordable Housing Contributions will also be applied to support the council's housing ambitions.

## PART 4

### 4.0 NON-FINANCIAL INVESTMENTS

#### 4.1 Corporate Asset Management Strategy

4.2 The Corporate Asset Management Strategy is a high level summary of the Council's overall approach to the strategic management of its land and building assets. It is linked to the vision and priorities of the Council to provide a policy direction for the effective and efficient use of the Council's assets for the benefit of the residents.

4.3 The management of Investment assets and Operational assets (other than leisure and Housing) sit within the Commercialisation portfolio. For the investment asset portfolio an assessment of the level of maintenance required for the properties has been made and this assessment will feature in both capital and revenue budgets, as it is important that the quality of the stock is maintained in order to sustain performance. The available capital budgets will be prioritised to those assets which generate the majority of income. The income generated by the Commercial Property Account supports other spending in the district and helps keep the council tax low.

4.4 The Authority continually seeks to identify assets that are surplus and to undertake disposals accordingly. This not only brings in a capital receipt but maintenance costs and liabilities are reduced. As a principle we will review and dispose of underutilised or poor performing assets and ensure that the top performing assets are adequately maintained. Assets that fail to meet the required yield that will be sought to be disposed of so that the capital receipt can be re-invested into other higher performing assets to create a stronger return profile and generate additional revenue income.

4.5 Breckland Bridge Ltd undertakes development of the Council's land and property assets to generate a positive financial return. For each project, subject to agreement the Council will provide a shareholder loan which will earn interest at market rates, supporting the Council's revenue budget. The Council may also provide an additional construction loan subject to agreement.

4.6 The table below provides the gross book values of the council's Assets including those assets which are held primarily for financial return (non-financial investments).

Table 1 – Breckland Council's Fixed Assets

Asset Type	Valuation	
	£'000s 2019	£'000s 2020
Community	223	230
Heritage	263	284
Infrastructure	1,110	1,377
Investment	31,150	32,013
Intangible	717	748
Property Plant & Equipment	37,841	40,171
Assets Held for Sale	372	17
Finance leases	9,803	9,786
<b>Total</b>	<b>81,479</b>	<b>84,626</b>

This table sets out the gross value of assets by category as at 31<sup>st</sup> March for the last 2 years. The value of the finance leases is the outstanding sum as at 31<sup>st</sup> March.

- 4.7 When seeking to make Commercial Investments, the Council will ensure the same robust procedures for the consideration of risk and return are applied as is for Treasury Investments.
- 4.8 In respect of security of investment, the Council will use its “scoring matrix and checklist for investment” as an indicator of whether to pursue a commercial investment and then undertake further due diligence if appropriate. Whilst yield is a determining factor, due consideration will be given to the risks relating to:
1. failure to create income/exposure to market changes
  2. covenant strength/possibility of arrears
  3. ongoing management/maintenance of the asset
  4. lease arrangements
  5. exposure in one sector
  6. exposure to one/few tenants
  7. exposure to one locality

On an ongoing basis, following purchase of an asset, risks will be monitored. Risks 1-4 above are operational risks currently reported on through the Council’s performance reporting system, Pentana (as detailed at 4.11). Risks 5 -7 are reported on Pentana as operational risks. If risks are red for two quarters they will get flagged and potentially be raised as strategic risks.

The risks are defined and measured as follows:

Exposure in one sector – market information will be monitored and an assessment made as to whether that impacts at a local level. Eg. local and national sector forecasts, investment activity and yields from professional journals/agents.

Exposure to one/few tenants – 10% of the Councils rental income equates to approximately £300k. If one tenant equates to 10% or more of the rental income stream then we will review the investment decision and existing tenants will be kept under review in respect of this threshold.

Exposure to locality – The Council’s Commercial investment strategy focuses investment in the Breckland District but market information will be monitored and an assessment made as to whether that impacts at a local level eg local and national sector forecasts, investment activity and yields from professional journals/agents.

Liquidity of investments is considered at 4.10 below as part of the wider issue of proportionality.

The Performance Indicators (PIs) are monitored at Performance Board, which is officer based group chaired by the Director of Strategy and Governance. Services are asked to attend this board when indicators are Red or Amber in order to escalate issues and seek explanations. This is a monthly board. Alongside Performance Board, Performance Indicators are reported to Overview and Scrutiny Committee on a quarterly basis where the Corporate Improvement team provide members with context in the report such as issues as to why the PI is red or amber and what the service is doing to try and improve performance.

- 4.9 All bids for funding including non-financial investments will be appraised in line with the project evaluation criteria set out in section 6 and significant projects will adopt the Council’s risk management framework and use the risk scoring matrix to assess risk.

- 4.10 In respect of commercial investments, new indicators are included in the Treasury Management strategy to monitor the extent to which the Council relies on income generating activity to achieve a balanced budget (proportionality indicator). Proportionality in this sense describes the size and risk of commercial activities with regards to the Council's operating and reserves activities. Should the Council undertake any borrowing, its maximum exposure to borrowing costs will not exceed £500,000.
- 4.11 The Council recognises the importance of managing the performance of its assets and the Corporate Asset Management Strategy features performance targets which are reported on the Council's performance management system

<b>Performance Indicators</b>	<b>Description</b>	<b>Frequency</b>
BSCPIND001 Commercial Property Occupancy	98%	Monthly
BSCPIND002 Breckland Business Centre (Dereham) Occupancy	93%	Monthly
BSCPIND003 Breckland Business Centre (Thetford) Occupancy	85%	Monthly
BSCPIND004 Commercial Property Maintenance Backlog	reduce liability	Quarterly
BSCPIND005 Commercial Property Condition Surveys	No condition survey over 5 years old	Quarterly
BSCPIND006 Condition of Commercial Property Assets	80% of investment assets at grade C or above	Quarterly
BSCPIND007 Commercial Property Rent Arrears	less than 3% at 90+ days	Monthly
BSCPIND008 Breckland Business Centre (Dereham) Rental Income	Gross income	Monthly
BSCPIND009 Breckland Business Centre (Thetford) Rental Income	Gross income	Monthly
BSCPIND010 Commercial Property Average Yield	Net yield across the investment assets	Half yearly
BSCPIND011 Commercial Property Gross Rental Income	Gross income	Monthly
BSCPIND013 Property Gross Capital Income	Gross income from asset disposals	Yearly

## PART 5

### **5.0 CAPITAL RESOURCES AND FINANCING**

#### **5.1 Capital Resources**

The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure. Instead it:

- Refers to “expenditure of the authority which falls to be capitalised in accordance with proper practices”.
- Enables the Secretary of State to prescribe by regulation which local authority expenditure shall be treated as capital expenditure and which shall not be treated as capital expenditure (SI 3146 as amended).
- Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.

The Council will set a de-minimus limit of £20,000 for expenditure to be considered for capitalisation providing it meets the criteria for capitalisation as per the capital regulations (SI 3146) and the CIPFA Accounting Code.

Regulations state that expenditure on repair and maintenance which does not increase the life, value or extent of use of an asset is not deemed as capital expenditure. The de-minimus is not applicable to capital grants which may be of any value and are made as a contribution to a larger capital scheme. The Council sometimes receives directives that grant contributions are to be applied as Capital expenditure. Should such directives be received, the Council will treat the grant as capital expenditure if the spend is deemed to meet grant conditions. From time to time the Council needs to buy vehicles and equipment and a de-minimus of £10,000 is applicable to vehicles and equipment.

Table 2 sets out the position of the Capital Financing Requirement (CFR), adjusted for expected capital programme spend and forecast sources of funding as at October 2020.

There is an underlying need to borrow from 2020/21 as shown in table 2. Borrowing will only take place after full consideration of the need for and the implications of borrowing. Table 2 represents the Council’s spending ambitions but release of funding is subject to approval. The scope for new investment is limited unless additional capital receipts or funding is generated or external borrowing takes place. The Council will support the principle of lending on to Breckland Bridge or a separate entity which will create a funding need by the Council to ensure funding for projects is delivered in the most cost effective way and will consider any requests on an individual basis. In addition it will fund on a project by project basis, if appropriate to improve Treasury returns. Whilst all projects within the capital programme are approved, the funding is not released until a detailed report or if appropriate a Project Initiation Document (PID) is approved (see section 6).

The CFR will need to be monitored closely to ensure future capital expenditure remains affordable, prudent and sustainable. The opening and closing balances include adjustments for PFI and Finance Leases which effectively reduce the available capital resources until such time as principal payments are received. Any future decision on borrowing for capital projects would only be supported if the business case for the projects does not place additional cost pressure on the tax payer through the council tax charge. The council would not undertake any un-supported borrowing whilst it still has reasonable capital receipt resources available. However regulations require the Council to approve its ‘Prudential Indicators’ at least annually.



Table 2 – Summary of Estimated Capital Resources\*

<b>Capital Financing requirement</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Capital resources available @ beginning of year	5,465	11,117	9,230	8,405
Movement (Spend less funding & receipts)	(2,128)	(9,398)	(8,052)	(7,754)
<b>CFR</b>	<b>3,337</b>	<b>1,719</b>	<b>1,178</b>	<b>651</b>

\* based on assumed levels of activity at November 2020

## 5.2 Capital Receipts

The forward availability of capital receipts is an important part in both the timing and scope of the capital programme. The Council is looking to manage its assets in such a way as to obtain best value and is looking at innovative ways of creating income such as Breckland Bridge Ltd where the Council is working with the private sector to manage and deliver increased investment and receipts. Surplus and poor performing assets are reviewed for potential disposal as part of the Council's Corporate Asset management Strategy (see section 4) with re-investment in higher performing assets and the Council's focus on Commercialisation will ensure maximum return from council assets.

## 5.3 Section 106 – Planning obligations

When the Council adopts land for open space or play area the developer pays a commuted sum under a 'section 106 agreement'. This is held on the balance sheet and the interest earned offsets the future maintenance costs of the recreation asset. The Council also seeks to secure the provision of infrastructure and facilities to mitigate the effects of development under section 106.

## 5.4 External Grants and Contributions

The partnership approach to service delivery is a core belief of the Council. Through its services, partnership working, supportive funding and innovation, the Council will seek to attract investment into the District. We seek to maximise external funding to support our programme. This tends to be for specific purposes. Working with public and private sector partners we are able to make better use of Council money. Central government funding is likely to be constrained as capital for existing and new programmes continues to be reduced or deleted.

## 5.5 Revenue contributions

The Council's budget and MTP sets out the approach to the allocation of reserve balances and this Council's approach to managing its surplus cash. The budget makes provision for annual revenue contributions in support of some capital expenditure. Where applicable specific contributions are identified from reserves or revenue contributions from specific services (such as ICT).

## 5.6 Balances and Reserves

Breckland council continues to hold a level of specific reserves. This reflects the robust financial management and policy decisions made in recent years and enables internal borrowing and cash flow to be managed. However, reserves are mostly earmarked for specific projects, limiting funding for new initiatives.

## PART 6

### **6.0 Framework for managing and monitoring performance**

Following approval of a capital project (as set out in section 2), there are several functions associated with the management of the approved Capital Programme:-

- Allocation of capital funding
- Release of capital funding
- Monitoring and reporting of delivery of the capital programme

Allocation of Capital Funding involves these functions:

- The assessment of the available funding resources
- Assessment of proposed schemes and business cases
- Prioritisation of schemes
- Recommendations of approval of schemes within the programme
- Approval of change control to Capital schemes where this changes funding requirements

These functions will be undertaken by Executive Management Team, Cabinet and Council. In summary the capital budget is agreed annually along with any revenue implications, which are factored into revenue planning. The budget is set in accordance with the timetable laid out in the Medium Term Plan. The programme is approved by Council in January/February to allow schemes to commence during the following year. A Bidding Form is used for all capital projects to enable indicative funding to be allocated to projects.

Release of Funding will be by the Resources Board upon receipt of an appropriate report or PID document (depending on the scale of the project) to ensure it is deliverable. Key staff charged with responsibility for delivery of the project will be invited to attend Resources Board as appropriate.

Monitoring and reporting of progress of the delivery of Capital Programme involves these tasks:

- Regular review of project progress and forecasting including achievement of key milestones, outputs and outcomes with post project reviews taking place depending on the scale of the project.
- Management of risks and issues
- Removal of barriers to delivery
- Approval of any changes to schemes not requiring funding changes
- Reporting on required funding changes
- Post implementation review taking account of any corporate learning opportunities

These tasks will be monitored and reported monthly in the Capital Financial Performance Report and through the Council's Performance System (Pentana) if deemed appropriate.

Budgets for individual schemes are assigned to lead officers who are responsible for delivering the project on time and to budget. The lead officers are responsible for managing capital projects, including capital bid forms, risk assessment, checking parameters, PID's, procurement, contract management, and post implementation reviews.

Progressing schemes in accordance with agreed timescales is an important aspect to managing the capital programme. Costs incurred compared to budget are monitored on a monthly basis in line with revenue budgetary control.

Financial progress against the capital programme is reported to Cabinet on a quarterly basis as a minimum and more often as required. This allows a continuous cycle of monitoring and forecasting. The bidding round will be conducted annually so that every year the 4 year programme is reviewed and refined and reflects the latest corporate priorities.

## **Project Evaluation**

All capital projects need to be appraised according to existing project management guidance to inform the decision making process. Options appraisals are also required to ensure value for money in achieving the project objectives and realising benefits. Matters to be considered within the capital bidding process are:

- Council Objective/Priority
- Whole life cost of the proposal including the revenue effects \*
- Affordability and source of funding
- Partnership involvement
- Options appraisal
- Risks
- Improvements in service delivery
- Customer facing outcomes
- Other benefits and success criteria
- Efficiencies and ongoing returns/capital receipts
- In principle support from the Director and Portfolio Holder
- Exit strategy
- Timescales

\*Whole Life Costing (WLC) is defined in ISO Standard 15686-5. WLC shifts the emphasis of capital appraisal from comparing alternative construction/acquisition costs to a Value for Money approach by reviewing comparative costs over the life of the scheme. WLC will not always be appropriate for all prescribed aspects of the Council's capital programme.

Project evaluation should include the following activities:

- Feasibility
- Appraisal (to include report, financial appraisal, risk appraisal)
- Budget
- Monitoring and review
- Outturn

This will ensure that any capital scheme that feeds into the programme will comply with the principles of the Prudential Code:

- Affordability
- Sustainability
- Prudence

The Scoring Matrix and checklist for investment also takes account of the Prudential property Investment Guidance 2019

## **PART 7**

### **7.0 RISK**

The Council is faced with diminishing capital finance and reduced access to grants and external funding which means the Council will need to monitor spend against available funds carefully to ensure that it does not spend or commit in advance of receiving funding. The Capital Financing Requirement (CFR) will need to be monitored carefully. Risk is therefore addressed throughout this strategy by setting out clearly how projects will appraised, approved, monitored and reported on. The strategy is closely aligned to the Medium Term Financial Plan and Treasury Strategy which contains key performance indicators.

Significant capital projects will be managed through the council's performance system if appropriate. All risks that may affect a project are considered. These can include political, economic, legal, technological, environmental and reputational as well as financial. Large projects will use appropriate project management tools in accordance with the size of the project.

Disinvestment initiatives will be followed through to ensure they perform as expected and as the Council diversifies its capital investment into areas such as loans to Breckland Bridge Ltd, exposure to non-repayment will be carefully managed through the contract management arrangements in place.

A specific risk as a VAT registered body is the recovery of exempt VAT only up to a value of 5% of all the VAT it incurs. This is known as the de-minimis limit. Monitoring and control of exempt input tax is essential for the council as where exempt input tax exceeds the 5% limit the whole amount is irrecoverable and will represent an additional cost to the council. Each capital investment will be closely reviewed to assess its VAT implications.

### **7.1 Sustainability**

Breckland Council is always mindful of proposals put forward by the MHCLG and will fully support all aspects of delivering the Government's 25 year national plan to improve the environment and all nationally set targets including targets for homes and vehicles.

Breckland Council has declared a climate emergency and is in the process of developing a sustainability strategy that will set out its policy and actions in relation to creating a more sustainable organisation and community. The Council is committed to reducing its impact on the environment by minimising its carbon footprint and is committed to working together with partners and local communities to improve the quality of public spaces to be cleaner, greener and safer.

### **7.2 Procurement**

The purchase of capital assets should be conducted in accordance with the Procurement Strategy, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write off of assets are contained in the Constitution which is continuously reviewed.

Where capital spend involves a specific procurement process which differs from the standard process, we will adopt the principal that by approving the capital project we are also approving the specific procurement process.

#### **7.4 Value for Money**

The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of our capital strategy. Specifically we will seek to strengthen the outcome indicators as part of post project reviews.

#### **7.5 Disposals**

Any proceeds from the disposal of assets such as land in excess of £10,000 are determined as a 'capital receipt'. The policy to sell small pockets of land often brings in income of less than £10,000. This income is classed as 'revenue income' and is posted to the revenue income and expenditure account.

<b>Author</b>	Margaret Bailey
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