The City of Edinburgh Council

10:00am, Thursday 14 March 2019

Capital Strategy 2019-2024 - referral from the Finance and Resources Committee

Item number	8.5
Executive/routine	
Wards	
Council Commitments	

1. For Decision/Action

1.1 The City of Edinburgh Council is requested to approve the Capital Strategy 2019-2024.

Laurence Rockey

Head of Strategy and Communications

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Referral Report

Capital Strategy 2019-2024 – referral from the Finance and Resources Committee

1.1 On 7 March 2019, the Finance and Resources Committee considered a report by the Executive Director of Resources setting out the capital strategy for 2019-2024. The strategy provided a high level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of council services.

1.2 The strategy also provided an overview of how associated risk was managed and the implications for future financial sustainability.

1.3 The Finance and Resources Committee agreed:

1.3.1 To note the Capital Strategy 2019-2024.

1.3.2 To refer the Strategy to The City of Edinburgh Council for approval.

2. Background Reading/ External References

2.1 **Webcast of Finance and Resources Committee – 7 March 2019**

3. Appendix

Capital Strategy 2019-2024 - report by the Executive Director of Resources

Appendix

Finance and Resources Committee

10am, Thursday, 7 March 2019

Capital Strategy 2019-24

Item number	7.3
Executive/routine	
Wards	
Council Commitments	

1. Recommendations

1.1 To note the Capital Strategy, as set out in Appendix 1, and refer to full Council for approval

Stephen Moir

Executive Director of Resources

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Report

Capital Strategy 2019-24

2. Executive Summary

2.1 This report sets out the proposed capital strategy, which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of Council services.

3. Background

3.1 Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003. The Prudential Code was revised by CIPFA in 2017. A key element of the revised code is that local authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made.

3.2 This report sets out the Council's capital strategy.

4. Main report

4.1 In order to deliver Council priorities and for the city to grow in a sustainable way, the Council needs to invest in its existing assets as well as creating new ones. The capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

4.2 The capital strategy is a high-level document, which brings together a number of other key Council strategies. It should be read in conjunction with the following plans and policies

- Edinburgh 2050 Vision
- Local Development Plan Action Programme
- Capital Investment Programme 2009-19, which provided a framework for the allocation of available capital funding which has been rolled forward annually

- Capital Investment Programme 2019-24, as amended by the Council's budget meeting of 21 February 2019
- Treasury management strategy 2019-20
- Corporate Asset Strategy
- Property and Asset Management Strategy
- Transport Asset Management Plan
- Housing Revenue Account Budget Strategy 2019-24

4.3 The capital strategy covers the following areas

- Capital Expenditure and Financing (the Council's capital expenditure plans, and the corresponding financing requirement)
- Treasury Management (how the Council keeps sufficient but not excessive cash to meet the Council's spending needs, while managing risks involved)
- Other investments and long-term liabilities (the Council's non-treasury investments and other liabilities)
- Knowledge and Skills (the professional skills and knowledge contained within the Council's accounting, treasury and property teams, as supplemented by external advisers)

4.4 The full capital strategy is included in Appendix 1.

5. Next Steps

5.1 This report will be referred to full Council for approval of the capital strategy. The strategy will be updated on an annual basis.

6. Financial impact

6.1 There are no direct financial implications arising from this report. The implications of the expenditure and investment plans contained in the strategy were considered at the Council's budget setting meeting on 21 February 2019.

7. Stakeholder/Community Impact

7.1 The capital strategy is a high-level document which brings together a number of other Council strategies, each of which is the result of appropriate community engagement.

7.2 Approval of the capital strategy, ensures the Council continues to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003.

7.3 There are no sustainability impacts directly arising from this report.

8. Background reading/external references

8.1 Local Development Plan Action Programme - January 2019

8.2 Capital Investment Programme 2009-19 – Policy and Strategy Committee – November 2008

8.3 Capital Investment Programme 2019-24 – Finance and Resources Committee – February 2019, as amended by the Council's budget meeting of 21 February 2019

8.4 Treasury management strategy 2019-20 – Finance and Resources Committee – March 2019

8.5 Corporate Asset Strategy – Policy and Strategy Committee – May 2015

8.6 Property and Asset Management Strategy – Finance and Resources Committee – September 2015

8.7 Transport Asset Management Plan – Transport and Environment Committee – December 2018

8.8 Housing Revenue Account Budget Strategy 2019-24 – Finance and Resource Committee – February 2019

Appendices

Appendix 1: Capital Strategy 2019-24

Appendix 1: Capital Strategy 2019-24

1. Vision

1.1 In the autumn of 2016 the City of Edinburgh Council launched a major conversation about the future of a city and a society, inviting Edinburgh to talk about its aspirations, plans, and concerns, for the first time in a generation: Edinburgh's City Vision for 2050.

1.2 During the first year of stakeholder and public engagement on the development of a long-term vision for Edinburgh, the Council engaged with thousands of people of all ages and identified four important themes that were obviously relevant to participants. These themes are

- *An Inspired City* - Edinburgh is a city that inspires the world and we will continue to treasure, and grow, our unique culture and heritage. The Edinburgh of 2050 will be a city renowned for its creativity and ingenuity, building on its reputation as a premier destination for culture, education and innovation.
- *A Thriving City* - The skills of our people and our global industries have been the driver of our success over the past thirty years. In 2050, Edinburgh will be a place of opportunity and ambition, where innovators and entrepreneurs can achieve prosperity and success.
- *A Connected City* - Connections are at the core of how a city is lived in and how its people interact with each other. In 2050, Edinburgh will be a city built around shared spaces which create opportunities for understanding, for friendship, and for the exchange of ideas.
- *A Fair City* - A great city commits to sharing success and improving the wellbeing and life experience of all its citizens. In 2050, Edinburgh will be a city without barriers to achievement and where a good quality of life is a basic requirement enjoyed by all.

1.3 As the city works towards these objectives, it is also predicted to grow. Its plans for development are set out its Local Development Plan The Local Development Plan Action Programme sets out the new infrastructure that is required to accommodate this growth.

1.4 In order to deliver the 2050 vision and for the city to grow in a sustainable way, the Council needs to invest in its existing assets as well as creating new ones. This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

1.5 The capital strategy should be read in conjunction with the following plans and policies

- Edinburgh 2050 Vision
- Programme for the Capital | Council Business Plan 2017-22 | The City of Edinburgh Council
- Local Development Plan Action Programme
- Capital Investment Programme 2009-19, which provided a framework for the allocation of available capital funding which has been rolled forward annually
- Capital Investment Programme 2019-24, as amended by the Council's budget meeting of 21 February 2019
- Treasury management strategy 2019-20
- Corporate Asset Strategy
- Property and Asset Management Strategy
- Transport Asset Management Plan
- Housing Revenue Account Budget Strategy 2019-24

2. Statutory Considerations

2.1 Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 7 of the Local Government in Scotland Act 2003. The Prudential Code was revised by CIPFA in 2017. A key element of the revised code is that local authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made.

3. Capital Expenditure and Financing

3.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £6,000 are not capitalised and are charged to revenue in year.

3.2 The Council's policy on capitalisation complies with the accounting requirements for local authorities and is set out in its annual audited accounts.

3.3 In the period 2019/24, the Council is planning capital expenditure of £1,754.685m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
General Fund services	138.992	155.813	301.402	175.981	62.186	52.400	41.000
Council housing (HRA)	72.816	80.199	108.954	142.251	177.531	171.392	273.984
On-lending (Housing)	6.470	41.365	18.118	75.424	55.104	76.692	22.266
Capital Investments	0	3.448	0	0	0	0	0
TOTAL	218.278	280.825	428.474	393.656	294.821	300.484	337.250
PPP and Similar Assets	0	140.000	41.500	0	0	0	0
TOTAL Capital Assets	218.278	420.825	469.974	393.656	294.821	300.484	337.250

3.4 Significant General Fund capital projects include[1]:

- Asset Management Works - £121.464m
- Investment in Roads and Pavements - £101.720m
- North Bridge Structural Works - £15.804m
- New Schools and Extensions - £105.431m
- New Early Years Centres and Extensions - £35.797m
- Meadowbank Stadium Redevelopment - £4.923m
- St James Infrastructure Assets - £61.400m
- Millerhill Waste Facility - £28.000m

This analysis does not include provision for the proposed tram line to Newhaven or unfunded projects within the Council's Wave 4 schools programme. Should these projects be approved, this strategy will be amended to reflect Council decisions.

3.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately. The Housing Revenue Account Budget Strategy 2019-24 sets out planned capital investment of £874 million over the next five years, rising to £2,233 million over 10 years to

[1] Values are those included in the Council's Capital Investment Programme and do not recognise any external funding which has not yet been received, including funding from the Edinburgh and South East Scotland City Deal.

deliver tenant priorities, including building new homes, modernising existing homes and help tenants reduce their cost of living.

3.6 The Council also uses general fund resources to increase the provision of affordable housing in the city, through lending to arms' length limited liability partnerships under the New Housing Trust and Edinburgh Living initiatives.

3.7 The capital programme is based on the ten-year capital plan originally set out in 2008 (Capital Investment Programme 2009-19), which has subsequently been rolled forward on an indicative basis on broadly similar terms.

3.8 In order for new projects to be added to the Council's capital programme. Asset Investment Groups, within each directorate identify their investment priorities and develop business cases supporting those priorities. These priorities are then scored against a set series of prioritisation criteria agreed by the Council's Asset Management Board. The Asset Management Board, which is an officer group chaired by the Executive Director of Resources, appraises all business cases and recommends investment priorities to the Corporate Leadership Team of the Council and then to the Finance and Resources Committee, ahead of the full Council budget setting meeting each year. Smaller ad-hoc projects may be added through the year following appropriate approval of project business cases, including those through executive committees or via the full Council itself.

3.9 For full details of the Council's capital programme were reported to Finance and Resources Committee on 1 February 2019 (Capital Investment Programme 2019-24) and amended by the Council's budget meeting of 21 February 2019.

3.10 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Public Private Partnerships and similar instruments). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
Grants	107.283	128.279	116.412	78.660	58.187	46.848	77.751
Asset Sales	17.197	32.608	34.235	83.102	67.944	86.192	52.150
Earmarked Reserves	0	0	0	0	0	0	0
Capital Fund	0	14.782	6.311	0	0	0	0
CFCR	22.200	33.162	23.000	7.200	2.200	2.200	2.200
Other External Income	22.004	0.659	11.882	0	0	0	0
PPP and similar arrangements	0	140.000	41.500	0	0	0	0
Loans Fund Advances/ Use of Cash Reserves	49.594	71.335	236.634	224.694	166.490	165.244	205.149
TOTAL	218.278	420.825	469.974	393.656	294.821	300.484	337.250

3.11 The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require the statutory loans fund to be administered in accordance with the 2016 Regulations, proper accounting practices and prudent financial management. The Council operates a consolidated loans fund under the terms of these Regulations. Capital payments made by services are financed by capital advances from the loans fund.

3.12 With the exception of advances in relation to Edinburgh Living LLPs, all advances from the loans fund in the current year have a repayment profile set out using Option 1, the statutory method. All capital advances from the loans fund are repaid using the previous hybrid annuity structure with fixed principal repayments. The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.

3.13 For capital advances for loans to Edinburgh Living LLPs, all advances from the loans fund in the current year have a repayment profile set out using Option 4 – the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments. The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case.

3.14 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with loans fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £193m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 3: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.18 actual	**31.3.2019 forecast**	**31.3.2020 budget**	**31.3.2021 budget**	**31.3.2022 budget**	**31.3.2023 budget**	**31.3.2024 budget**
General Fund services	1,128	1,209	1,347	1,403	1,351	1,287	1,211
Council housing (HRA)	381	378	415	415	478	522	669
NHT LLPs	67	99	104	108	108	108	108
Edinburgh Living LLP	0	9	22	93	147	222	241
TOTAL CFR	1,576	1,695	1,888	2,019	2,084	2,139	2,229

Asset management

3.15 To ensure that capital assets continue to be of long-term use, the Council has asset management strategy in place. This was set out in 2015 with two documents; the Corporate Asset Strategy approved by Corporate Policy and Strategy Committee in May 2015, and the subsequent Property and Asset Management Strategy reported to Finance and Resources Committee in September 2015. The Asset Management Strategy sets out the objective to create a credible, focused and sustainable delivery organisation for property and facilities management; provide a fit for purpose, right-sized and safe estate; provide an appropriate level of service at an acceptable and efficient cost; and act in a commercial manner in pursuit of maximising value for the Council.

Asset disposals

3.16 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants also generate capital receipts. The Council plans to receive £34.235m of capital receipts in the coming financial year as follows:

Table 4: Capital receipts in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	17,197	32,608	34,235	83,102	67,944	86,192	52,150

4. Treasury Management

4.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent and holds cash reserves, at least in the short-term. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

4.2 Due to decisions taken in the past, at January 2019 the Council currently had £1,206m borrowing at an average interest rate of 5.07% and £214m treasury investments at an average rate of 0.84%.

Borrowing strategy

4.3 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while, where possible, managing the Council's future interest rate risk. The current strategy is to balance reducing investments to fund capital expenditure in the short term while managing the Council's longer term interest rate risk by securing borrowing for future capital expenditure as the delivery becomes more certain.

4.4 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above)

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Debt (inc. PPP & Leases)	1,439	1,523	1,516	1,583	1,580	1,600	1,577
Capital Financing Requirement	1,576	1,695	1,888	2,019	2,084	2,139	2,229

4.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term

Liability benchmark

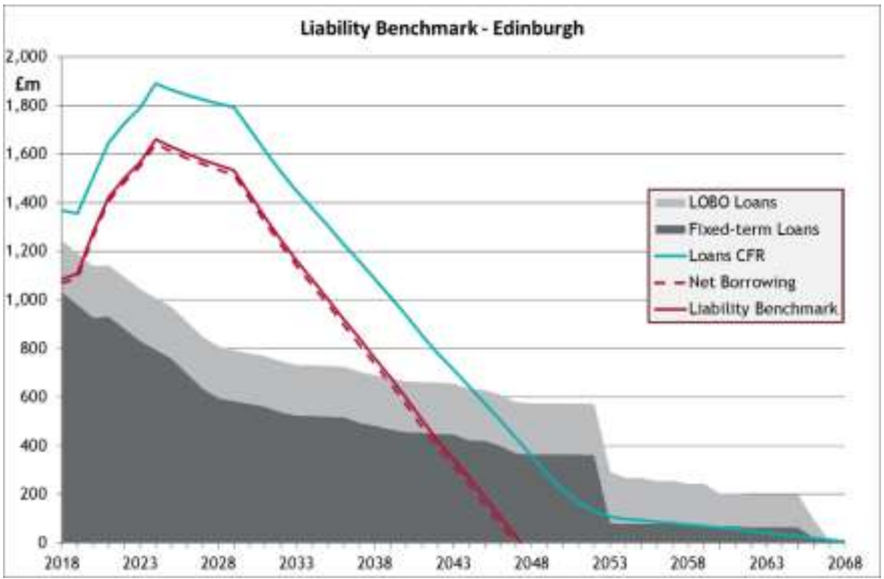
4.6 To compare the Councils actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This benchmark is currently £1,086m and is forecast to rise to £1,503m by March 2022, taking into account existing borrowing requirements.

Table 6: Borrowing and the Liability Benchmark in £ millions

	31.3.2018 actual	**31.3.2019 forecast**	**31.3.2020 forecast**	**31.3.2021 forecast**	**31.3.2022 forecast**
Outstanding borrowing	1,246	1,200	1,160	1,235	1,242
Liability benchmark	1,086.1	1,106.7	1,278.6	1,423.5	1,502.8

4.7 The table shows that, even allowing for the £60m committed market borrowing in 2020/21, the Council is projected to be significantly under its liability benchmark over the period. The Council will require to undertake additional borrowing in the latter years to fund this.

4.8 Figure 1 below show the projection of the Council's benchmark produced by the Council's Treasury Advisors.



Affordable borrowing limit

4.9 The Council is sets an affordable borrowing limit (also termed the authorised limit for external debt) each year. A lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 limit	2019/20 limit	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised limit – borrowing	1,955	1,843	1,935	1,979	1,966	2,039
Authorised limit – PFI and leases	196	362	349	335	322	308
Authorised limit – total external debt	2,151	2,205	2,284	2,314	2,288	2,347
Operational boundary – borrowing	1,475	1,557	1,703	1,780	1,844	1,939
Operational boundary – PFI and leases	196	362	349	335	322	308
Operational boundary – total external debt	1,671	1,919	2,052	2,115	2,166	2,247

Investment strategy

4.10 Treasury investments arise from receiving cash before it is paid out again and through reserves and other fund balances. While the Council has been reducing its investments over recent years, it still has around £200m in temporary investments, although this will reduce further before the end of 2018/19 and further still in the new financial year. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

4.11 The Council's cash investments are pooled with the sterling cash of Lothian Pension Fund and other associated organisations and invested together. The investment policy for treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Additional liquidity is provided using Money Market Funds.

4.12 Table 6 suggests that without undertaking additional borrowing, the Council will have applied all its temporary investment balances to fund its borrowing requirement by 2019/20. This along with the Cash Fund mandate from Lothian Pension Fund means that the duration of any investments will be limited.

4.13 Further details on treasury investments are in Appendix 5 of the Annual Treasury Management Strategy report

4.14 Decisions on treasury management investment and borrowing are made daily and are therefore delegated by the Council to the Head of Finance and relevant staff, who must act in line with the Treasury Management Policy Statement approved by the Council on the recommendations of the Finance and Resources Committee. Semi-annual reports on treasury management activity are presented to Council. The Governance, Risk and Best Value Committee is responsible for scrutinising treasury management decisions.

5. Other Investments and Long-term Liabilities

5.1 The Council makes investments to assist local public services, including making loans to and buying share in Council's subsidiaries that assist in the delivery of Council priorities. Examples include investments in the Edinburgh International Conference Centre, the EDI Group, Edinburgh Living LLP and Energy for Edinburgh. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

5.2 Decisions on service investments are made by the relevant Executive Director or Head of Service, in accordance with the scheme of delegation, in consultation with the Head of Finance and are approved by the relevant executive committee of the Council. Most loans and share purchases are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

5.3 The Council retains a commercial property investment portfolio for city development purposes, but also derives financial gain from this activity. The investment portfolio consists of over 1,130 assets and is forecast to produce a rental income of circa £15m for the current financial year. The portfolio is estimated to have a value of circa £230m.

5.4 With economic development being the main objective, the Council accepts higher risk on commercial investment that with treasury investments. The principal risk exposures include voids and falls in capital value. In order to minimise the liability to the Council the portfolio is actively managed on a commercial basis.

5.5 Decisions on commercial investments are made by the Executive Director of Resources in line with the criteria and limits set by the Council as part of the Scheme of Delegation and Financial Regulations, and directly through the Finance and Resources Committee, where appropriate. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

5.6 The council also has commercial activities in Edinburgh International Conference Centre and the EDI group. The commercial activities in the EDI group are in the process of being wound down in accordance EDI transition strategy approved by Council on 31 May 2018.

Integration with Wider Financial Strategy

5.7 This capital strategy commits the Council to significant financial expenditure over the medium to long-term. The Council therefore, considers its existing expenditure commitments exposure to other financial risks and pressures prior to setting its capital and revenue budgets.

Risks and reserves

5.8 The Council undertakes an annual review of its risks and reserves in the context of setting the revenue and capital budgets. The most recent such review was reported to the Finance and Resources Committee on 1 February 2019 and set out a number of risks (and associated mitigating actions), including potential cost pressures around demographic-led demand, pay awards and the impacts of other legislative changes, as well as the level of future funding settlements and delivery of approved savings.

5.9 The Council has a reserves strategy aligned to the risks it faces. In addition to maintaining unallocated reserves at a level equal to 1% of gross revenue expenditure, a number of specific statutory and other reserves are maintained. The external auditor’s 2017/18 annual report noted that overall reserve levels, taking into account both sums earmarked for specific purposes and the unallocated General Fund balance, were assessed to be adequate based upon the risks the Council faces.

Revenue Budget Implications of Capital Strategy

5.10 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and loans fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general grants.

Table 8: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget	2022/23 budget	2023/24 budget
Financing costs (£m) – General Fund Services	112.118	112.597	107.794	102.499	97.947	96.860	n/a
Proportion of net revenue stream	11.63%	11.44%	10.44%	10.28%	9.76%	9.60%	n/a
Financing costs (£m) – Housing Revenue Account	37.918	39.882	42.358	46.370	50.586	55.308	n/a
Proportion of net revenue stream	37.88%	40.48%	42.08%	44.64%	46.96%	49.41%	n/a

In addition to financing costs, the Council makes provision for all running costs and lifecycle maintenance of assets in its revenue budget planning process. Before inclusion in the capital programme, a business case is created for every new project which sets out the revenue implications and how they will be funded.

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The implications of capital expenditure have been built into the Council's long-term financial planning assumptions to ensure that the proposed capital programme is prudent, affordable and sustainable.

6. Knowledge and Skills

6.1 The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

6.2 The Finance function, within the Council's Resources Directorate, has qualified accountants working throughout the Division. The accountancy function is an accredited employer with regard to CPD Continuing Professional Development with the following accountancy bodies: CIPFA, CIMA, and ACCA. This accreditation is assessed externally every 3 years. The accounting function has been externally assessed as being a Best Practice Employer with regard to training by CIPFA in recognition of the continuing development opportunities provided to staff. Benchmarking information (2018) shows that the Councils has an above average number of qualified staff compared with other local authorities across the UK with over 66% of staff being qualified or part-qualified. Support is provided for those engaged in study for accounting, treasury and insurance qualifications. The CPD assessment undertaken by CIMA examines the provision of training and guidance available to staff on ethical issues including and whistleblowing and money laundering legislation.

6.3 As well as finance qualifications, the Treasury Team hold a range of Treasury, Investment and Banking qualifications including the CIPFA/ACT Certificate in International Treasury Management – Public Finance and the Investment Management Certificate. The team also has a wide range of knowledge and experience in investment instruments as well as debt and other funding structures.

6.4 The Property function, within the Council's Resources Directorate, through which the property investment portfolio is managed, has RICS qualified surveyors working across the Division, the majority of which are also members of the Registered Valuers scheme.

6.5 In addition, use is made of external advisers and consultants that are specialists in their field, when specialist technical advice is required. This approach is more cost effective that employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.