

CAPITAL PROGRAMME & ASSET MAINTENANCE 2024/27

Finance and Investment Advisory Committee – 11 January 2024

Report of: Deputy Chief Executive and Chief Officer - Finance and Trading

Status: For Decision

Key Decision: no

Executive Summary: This report sets out the proposed Capital and Asset maintenance programmes for 2024/27 together with proposed funding.

This report supports the Key Aim of: effective management of the Council's resources.

Portfolio Holder: Cllr. Kevin Maskell

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Recommendation to Finance & Investment Advisory Committee:

That the report be noted, and comments forwarded to Cabinet on:

- a) The Capital Programme 2024/27 and funding set out in Appendix B.
- b) The proposed Asset Maintenance budget of £662,000 for 2024/25.
- c) The Capital Strategy for 2024/25, Appendix C of this report.

Introduction and Background

- 1 The Capital Programme is put together following the Council's financial and corporate policies to ensure that the proposed programme satisfies one or more of the Council's corporate plan priorities:
 - improve efficiency and cost effectiveness of the services we provide;
 - buy and build new assets that help improve the way we provide services and at the same time generating return on our investments;
 - providing better customer service;
 - invest in attracting, generating and supporting business.

Capital Bids

- 2 The new scheme bids are attached at Appendix A.
- 3 Each scheme bid document details the proposed programme and its purpose as well as the capital costs for the next 3 years. In addition, details of how the programme is to be funded, justification for the bid and any other resource implications are included in each bid document.
- 4 Appendix B summarises the overall capital programme position of existing and proposed schemes and indicates the funding sources proposed.
- 5 Schemes that have not spent in line with previously reported schedules for 2023/24 may be carried forward to 2024/25.
- 6 Schemes that are of significant size or importance will be presented as separate reports throughout the year as appropriate and the Capital Programme, Appendix B, will be updated to reflect subsequent approved amendments.
- 7 The Property Investment Strategy was removed from the Capital Programme in November 2021 so that PWLB borrowing could be accessed to fund future capital schemes as required.
- 8 A separate report on the Property Investment Strategy will be presented.

Capital Receipts

- 9 In the summary in table 1 below the available capital receipts have been identified which can be used to fund the capital programme.

Table 1: Capital Receipts estimates

Disposal Programme	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Capital Receipt b/fwd	1,638	60	0	0
Total Capital receipts	5,570	1,120	31,853	0
Already allocated	(7,148)	(1,180)	(31,853)	0
Available Capital Receipts	60	0	0	0

- 10 The capital receipt estimates are based on the current disposal programme but may be subject to change in timing and value.
- 11 Capital receipts will be used to finance the capital programme where possible but other sources of funding such as the Financial Plan Reserve, internal borrowing, external borrowing, Grants and the Vehicle Renewal Reserve may be used to fund specific items.

Asset Maintenance

- 12 The asset maintenance programme seeks to allocate budgets to individual areas and schemes in accordance with the asset management plan and service requirement, reflecting backlog maintenance, health & safety and income generation as priorities.
- 13 The Council has an ageing asset portfolio, which means the buildings are costly to run and maintain and as such the maintenance of assets are a significant budget pressure which cannot be addressed entirely through the revenue budget and therefore the Council will need to find creative solutions or ensure development schemes are self-financing.
- 14 The table below sets out the asset maintenance programme for the next 3 years and the percentage of the maintenance programme funded.
- 15 Table 2: Total asset maintenance programme

	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Budget	631	642	651	662
% of programme funded	64%	64%	64%	64%

Capital Strategy

- 16 The revised CIPFA Code requires, for 2019/20 onwards, all local authorities to prepare a Capital Strategy report, which will provide the following:
- A high level, long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed; and
 - The implications for future financial sustainability.
- 17 This Council's Capital Strategy for 2024/25 is presented in Appendix C.
- 18 The aim of this Capital Strategy is to ensure that all Members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance and risk appetite.
- 19 The Capital Strategy has direct links to other key strategic and policy documents, such as:
- The Council Plan;
 - The Ten Year Budget and Financial Strategy;
 - The Local Plan;
 - Asset Management Plan;
 - Treasury Management Policy And Strategy;
 - Property Investment Strategy; and
 - Capital Programme
- 20 These key strategic and policy documents are reported separately to Members and are not reproduced within the Capital Strategy.
- 21 The Capital Strategy complements the above documents by defining the approach, structure and governance for the effective financing and Management of the Council's capital investment needs and ambitions. It outlines how the Council's existing capital resources will be effectively managed to meet the planned needs and opportunities and for meeting the ambitions for future longer term capital investments.
- 22 It is intended that the Capital Strategy will be reviewed annually to reflect changes in circumstances.

Key Implications

Financial

All financial implications are covered within this report.

Legal Implications and Risk Assessment Statement.

There are no legal issues. The Council must agree a Capital Programme as part of its financial plan and ensure that resources are available to fund it

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decisions recommended in this paper directly impact on this ambition. The impact has been reviewed and there will be an (increase or decrease) on carbon emissions produced in the district as a result of this decision.

The Net Zero impact has been considered for each capital bid and the impact is shown as appropriate.

Appendices

Appendix A - Scheme Bid Documents

Appendix B - Proposed 2024/27 capital programme

Appendix C - Capital Strategy 2024/25

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer – Finance & Trading