

Capital Strategy 2022/23

1. Capital Strategy intention

I am pleased to endorse this Capital Strategy, which sets out the commitment of Melton Borough Council to manage its assets effectively to ensure the value they create is maximised for the benefits of the Council and community as a whole. We have made considerable progress in understanding the condition of our assets and this work will feed into the development of our capital strategy moving forward. I hope you will find that the document clearly demonstrates our drive to ensure this.

We are ambitious for Melton's future. Looking to invest in our housing services, leisure services, improving customer services and delivering the homes, jobs and infrastructure the Borough of Melton requires. Our Capital Strategy will support this.

Leader of the Council – Councillor Joe Orson

2. Steer on the long-term approach

As part of the Council's Mission of *Helping People, Shaping Places* and supporting our Vision, the approved Corporate Strategy 2020-2024 sets out a number of key projects we will be focussing upon. This Capital Strategy will support the effective delivery of these ambitions. Through this plan we intend to ensure appropriate levels of capital expenditure and investment to meet these priorities and objectives whilst ensuring that our plans are affordable, prudent and sustainable.

Chief Executive – Edd de Coverly

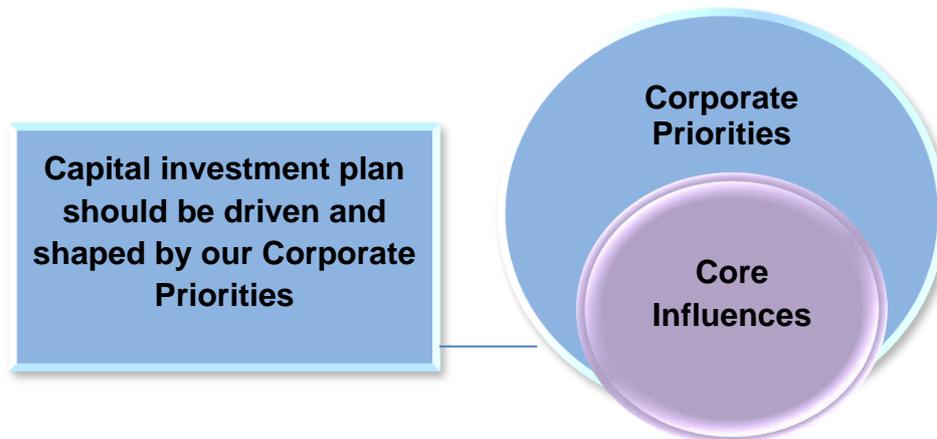
3. Summary of Capital Strategy

The Capital Strategy is presented to Council as a key strategy document, and links with both the Treasury Management Strategy and the Asset Management Plans.



4. Core influences on capital investment

4.1 The Capital Strategy is influenced by many different factors. We have named them core influences, as these must be taken into account before establishing the appropriate strategy for contributing to the delivery of our Corporate Priorities:



Our Vision

Our Corporate Priorities

Helping People:

- Excellence services positively impacting on our communities
- Providing high quality council homes and landlord services

Shaping Places:

- Delivering sustainable and inclusive growth in Melton
Protect our climate and enhance our rural, natural environment

Great Council:

- Ensuring the right conditions to support delivery (inward)
- Connected with and led by our community (outward)

4.2 The following chart illustrates our core influences:



4.3 Our Capital Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points for consideration in each case including any impact that COVID has had on our capital ambitions and delivery plan:

4.3.1 External influences – regional

Midlands Engine

The headlines from the '**Midlands Engine Vision for Growth**' document published in September 2017, set out below, cover the five principles which guide the work of the Midlands Engine:

“Investing in the Midlands Engine is essential to the UK’s long-term success. To achieve our 2030 ambition, we need to accelerate productivity growth across the Midlands. **Much of this will be driven locally and sub-regionally by businesses, LEPs, universities, Councils and Combined Authorities with newly devolved powers.** This will include delivering a transformation in skills and education that will help boost productivity and spread prosperity.”

The Midlands Engine ways of working are guided by five principles.

- The Midlands Engine is about additionality, complementing the work of Local and Combined Authorities, LEPs, universities, businesses and others to generate added-value at the globally sensible spatial scale of the Midlands
- Our core focus is on leveraging the capacity of the Midlands to help Britain succeed. Our policy approach remains apolitical, focusing on increasing productive economic growth and improving quality of life
- The Midlands Engine will define a long-term strategic plan that will secure a number of high impact initiatives and investments for the UK
- The Midlands Engine will work on projects that benefit the whole region and develop a self-sustaining and resilient partnership model
- The Midlands Engine Partnership will work collaboratively and speak with one voice, implementing a distributed leadership model to drive delivery

Our partners recognise the benefits that can be achieved through decentralisation and devolution. Delivery should always be at the appropriate level and Local Authorities, Combined Authorities and LEPs will often be the delivery vehicles of the inclusive growth we seek.

Leicester & Leicestershire Enterprise Partnership (LLEP) and Local Authority Partners

The collaborative strategies and plans are an important influence on our Capital Strategy. The most recent plan to emerge is the Strategic Growth Plan, which has been adopted by all of the partner Authorities. The Strategic Growth Plan has been prepared by the ten partner organisations - the City Council, the County Council, the seven boroughs and districts, and the Leicester & Leicestershire Enterprise Partnership – to provide a plan which will shape the future of Leicester and Leicestershire in the period to 2050. It is a non-statutory plan but it provides an

agreed framework which we will use when preparing our individual Local Plans and other strategies.

The Strategic Growth Plan focuses on four key matters:

- delivering new housing
- supporting the economy
- identifying essential infrastructure, and
- protecting our environment and built heritage.

Within this Melton Mowbray is identified as a Key Centre for Growth and Regeneration. The town centre has a great deal of potential opportunity for Investment in the public realm and support its potential as centre for tourism and leisure. The recent approval for the Melton Mowbray Distributor Road (north and east) provides the catalyst for change: it will remove congestion in the town centre and open up land for development to the north of the town and elsewhere. Similar investment to the south of the town could increase this further. New growth will support town centre shops and services and provide the opportunity for people to live close to where they work.

In Summer 2018 the LLEP was invited to submit a Local Industrial Strategy (LIS) by government, following the development of a local prospectus for growth. The prospectus identifies five key sectors for growth, including advanced manufacturing and specifically identified the establishment of a Food Enterprise Centre and Food Park in Melton Mowbray as one of its key deliverables.

The LLEP Economic growth Strategy (2021-30) was launched in December 2021 and outlines the future economic and strategic direction for Leicester and Leicestershire over the next 10 years. The new Economic Growth Strategy is based on an analysis of the current state of the economy, previous and current research, strategies and action plans, and stakeholder aspirations and concerns and the impact of the UK leaving the EU and the Coronavirus pandemic.

Melton has previously been successful in securing Local Growth Fund investment with the successful bid to secure £3m for the Cattle Market. The Council will continue to work closely with the LLEP and will be developing a business case for public and private sector investment into the Food Enterprise Centre and Provision of Melton Borough Leisure Park. In April 2020, the secured £500k of Business Rate Pool (BRP) funding from LLEP, alongside the Council providing match funding of £375k to support the Asset Development Programme Phase 1.

4.3.2 External Influences – social housing legislation, regulation and the introduction of consumer standards

Social Housing White Paper

The Council is aware of and sensitive to the direction of travel indicated by the Social Housing White Paper (published November 2020) - 'The Charter for Social Housing Tenants'. The Charter for Social Housing Residents is a significant marker of the expectations and requirements of social landlords to engage with, listen to and be accountable to residents. The charter is structured around seven core areas that set out what every social housing resident should be able to expect and makes some policy proposals. Of most relevance to any stock-retained local authority landlord in relation to its capital strategy are the themes around building safety, data quality, and the move to zero-carbon, which can be summarised as follows:

- As a landlord, our **mission** needs to focus on **building safety, raising standards** and **tenant satisfaction**.
- We have to be **honest, self-aware** and **transparent**, and be **data-driven**
- Our **capital programme** needs to focus on building safety, energy efficiency and climate change

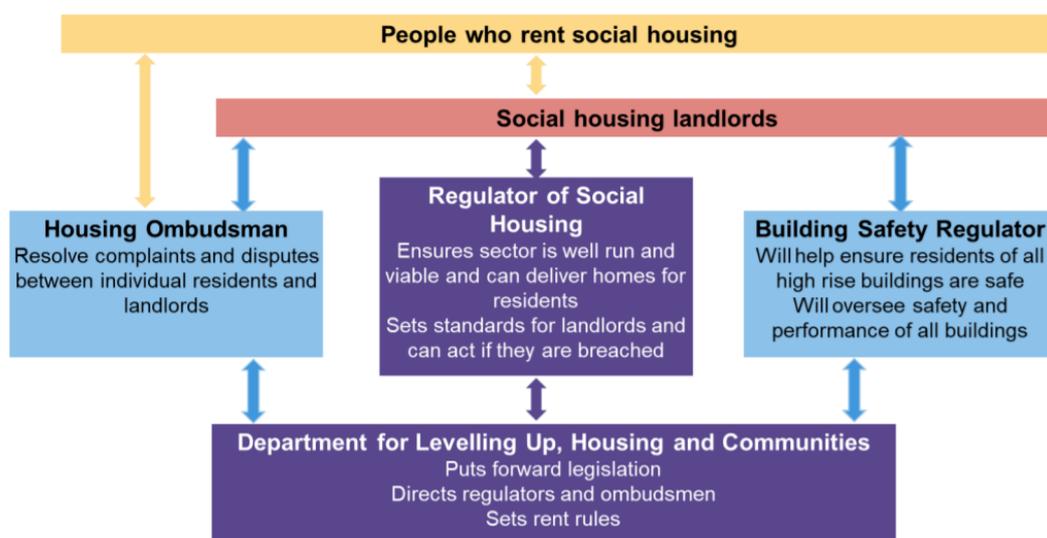
It is anticipated that The Charter for Social Housing Residents will lead to legislative changes and new regulatory standards. This is described as 'reshaping consumer regulation' through which the following outcomes are proposed.

1. Social housing is well managed
2. Tenants' complaints are dealt with efficiently and effectively.
3. Tenants are treated with fairness and respect and their diverse needs are taken into account.
4. Social housing stock meets the decent homes standard.
5. Landlords ensure social housing meets health and safety requirements and consider safety in the management of housing.
6. Landlords comply with tenancy law and regulations and avoid unnecessary evictions.
7. Tenants have access to information to hold their landlords to account.
8. Tenants have opportunities to influence the decisions and priorities of their landlords with respect to their housing.
9. Landlords take account of the views of tenants in the management of their homes.
10. Landlords work with other agencies to contribute to the safety and well-being of the areas in which the homes they are responsible for are situated.

Individual consumer standards will be subject to consultation. The themes are set out below:



To implement the white paper changes, the following will be put into place between the Regulator for Social Housing, Government, Housing Ombudsman and Building Safety Regulator:



Regulator for Social Housing

The Regulator for Social Housing (RSH) published its sector risk profile on 26 November 2020. Although primarily intended to inform the Boards of Private Registered Providers (housing associations), it contains some useful risk summaries in relation to the Council's landlord function. In relation to its asset management function, these are summarised below:

| | |
|------------------------|---|
| Strategic choices | The sector faces a growing range of competing internal and external pressures which will demand strategic control and decision-making. The needs of current tenants must effectively be balanced with future demands; choices must be made in deploying capital between essential ongoing investment and improvement to the existing housing stock and contributing to new supply |
| Health and safety risk | Ensuring tenants are safe in their homes is a fundamental responsibility of any social landlord...local authorities must ensure that they comply with statutory health and safety obligations which provide for tenant safety, including gas, electrical and fire safety, asbestos, legionella, and lifts. These requirements apply to both existing, and to new build properties. Providers also have wider responsibilities such as fulfilling their legal duty of care to their staff. |
| Existing stock quality | <p>The sector must have an approach to ensure the quality of its housing stock is maintained at a decent standard.</p> <p>Alongside ongoing remediation work to improve safety and stock quality, the government's long-term commitment to achieve net zero carbon emissions by 2050 is likely to require increased energy efficiency standards from provider stock. The government is currently consulting on changes to required energy performance standards. Providers' stock is a long-term asset, and required standards are likely to continue to evolve over its lifetime in response to changing policy requirements and climate change.</p> |

4.3.3 External influences – local government framework

Local Government Association (LGA) Peer Review

The LGA Peer Review which was undertaken in 2018 provided feedback that helped inform the approach to our Capital Strategy. The relevant points to focus on from a Capital Strategy perspective are as follows:

- the need for a longer term approach to strategic financial planning;
- the relatively modest Capital Programme could suggest that we are not incorporating everything that we should in the Capital Programme and / or we are being too risk averse;
- the lack of clarity on our risk appetite in terms of our capital investment ambition.

A further LGA review was undertaken on financial resilience in 2021. The key points relating to capital from this review are as follows:

- The capital strategy and capital programmes need to be refreshed for the 22/23 budget cycle to take into account stock condition surveys, a refresh of the HRA business plan and the Asset Management Plan.
- The Council has a number of ambitious projects and regeneration schemes that are well understood as corporate priorities, but do not appear in strategic financial plans. The Council need to ensure that they are represented in the Capital Programme and related financial strategies with associated business cases..

Accounting Standards, Regulation and Codes

From 2017, there has been significant Central Government scrutiny of local authority commercial property investments, which has resulted in a number of important changes being implemented by both the Ministry of Housing, Communities and Local Government (MHCLG) regulations and Chartered Institute of Public Finance and Accountancy (CIPFA) Codes. These changes are particularly focused on local authority Capital Strategies. We have therefore ensured that our Capital Strategy complies with the new requirements.

CIPFA have recently published a new Prudential Code for Capital Finance in Local Authorities (Prudential Code) and Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code). The new Codes will have a 'soft' launch of provisions for the 2022/23 financial year, where possible local authorities should make their best endeavours to adhere and will be fully implemented in the 2023/24 financial year.

4.3.4 Partner influences

Leicestershire County Council

The relationship with Leicestershire County Council (LCC) is very important when considering our longer term Capital Strategy. As the planning authority and the billing authority, we are in an influential position when it comes to setting the scene for the future development and growth in the area and considering the impact on funding streams at both the County and District level. Any County capital schemes that are focused in our area and, in some cases we will be contributing to, should be considered for inclusion in our Capital Strategy.

The LCC Local Transport Plan is included in our Corporate Policy Framework. The LCC road scheme (Melton Mowbray Distributor Road) has been successful in gaining government funding and additional funding is available through the Housing Infrastructure Fund. We have recently reached an agreement with the County Council to support them in accepting this funding and the impact reflected in our capital plans.

Melton Helping People Partnership Board

The Council has always had strong working relationships with its statutory and voluntary sector partners at both an operational and strategic level. The strength of these established partnerships has been especially evident during the COVID crisis when organisations pulled together to provide an extraordinary community response for the residents of Melton across all age groups and for a wide range of needs. We want to build on the learning this has provided and continue to develop with our Partners. Accordingly, the Helping People Partnerships (HPP) Board provides a strategic forum for Partners delivering services within the Borough of Melton to collaborate and develop an effective Partnership Offer that will result in better outcomes for the residents of Melton. The partnership has been reviewed to ensure it can respond to the needs of our communities in Melton as we emerge from the pandemic. It is also well placed to support delivery of local community health and wellbeing plan, aligned to the countywide health and wellbeing strategy.

Melton Place Board

A Place Board has been established of relevant local stakeholders who are keen to be involved in shaping the future of Melton. The Board has been instrumental in sharing information and joining hands to support businesses and retain town centre vitality during the lockdown periods.

The purpose of the Place Board is to work together to promote & develop the 'rural capital of food' brand and establish Melton as the place to live, work, visit and invest in. Key objectives of the Place Board are:

- Working with our partners to promote Melton, increase tourism and deliver the promise of Rural Capital of Food
- Regenerate our town centre, promote events, encourage inward investment and create jobs
- Deliver Inclusive growth by improving access to higher paid jobs, improving skills and tackling the low wage economy

Leicestershire Health and Wellbeing Strategy

The Leicestershire Health and Wellbeing Strategy has been reviewed and is currently being consulted upon. A ten-year strategy which adopts a life course approach is proposed. Key to delivery of the strategy at a local (district) level is the development and implementation of community health and wellbeing plans which will be a key link document for plans and programmes of work including the local plan, housing growth in Melton and future Leisure Vision.

4.3.5 Internal Influences

Local Plan

The Local Plan was formally adopted in October 2018 and therefore its strategic objectives will start to be considered and their potential influence on our Capital Strategy. The strategic objectives from the new Local Plan are as follows:

Housing Objectives

1. Help provide a stock of housing accommodation that meets the needs of the community, including the need for affordable housing
2. Develop a housing stock to provide for the future aspirations for the local economy

Jobs and Prosperity Objectives

3. Enhance the vitality and viability of Melton Mowbray town centre
4. Provide sufficient land to meet current and future employment needs
5. Help regenerate the rural economy
6. Promote the tourism potential of the Borough through its food, equestrianism and heritage assets creating a Melton Borough “brand”
7. Create a mixed economy with increased knowledge-based jobs and wages
8. Provide better training opportunities and increase educational attainment

Accessibility and Transport Objectives

9. Reduce the need to travel by car and improve access to public transport
10. Reduce traffic congestion in Melton Mowbray

Safety and Protection Objectives

11. To improve community safety, reduce crime and the fear of crime

Community Development Objectives

12. Improve access to services and facilities, including health, schools, social care, jobs, recreation, sport and education, broadband

13. Promote sustainable communities

14. Improve facilities for all the community

15. Improve the health of the Borough and reduce health inequalities within the community

Environment Objectives

16. Promote high quality and innovative design which is visually attractive, reflects local context and distinctiveness, and, contributes to a safe and accessible environment, to make places better for people

17. Conserve the historic environment and Melton Borough's heritage assets

18. Protect the rural character of the Borough

19. Reduce the risk of flooding and avoid development in areas prone to flooding

20. Protect and enhance the natural environment and biodiversity

21. Reduce pollution

22. Protect and manage the use of natural resources and mitigate activities that cause their loss or degradation

23. Prepare for, limit, and adapt to climate change and promote low carbon development

24. Minimise the use of energy and promote forms of renewable energy in the correct locations

25. Ensure that the reuse and recycling of waste is maximised'

Growth and Prosperity Plan

The Melton Borough Council Growth and Prosperity Plan highlights what the Council will be delivering for the business community from 2018 - 2022. Many of the initiatives that are put in place to deliver the Growth Plan have been reviewed and accommodated within the Council's New Corporate Strategy as part of the 'place' based priorities.

Commercial Strategy

The Council has devised a Commercial Strategy which will outline the Council's commercial activities along with the work Melton has undertaken with the LGA as it seeks to develop its commercial awareness. Any Commercial activities will form a key element in supporting the Council's corporate priorities in order to generate a

revenue return that will help contribute towards addressing the Council's financial pressures in light of the continued loss and risks relating to funding from Central Government. The strategy will outline the Council's approach to investment covering items such as risk appetite, risk profile, target rates of return etc. to help inform the decision making process.

Corporate Asset Management Plan

The new Corporate Strategy makes a commitment for the Council to maximise the value from its assets.

The current Corporate Property and Assets Portfolio comprises of a wide range of property types and assets, each with its own considerations, challenges and opportunities. These include operational offices, commercial units, leisure centres, community centres, parks and open spaces, car parks, footpaths, bridges and public toilets.

The Corporate Property and Assets team was established in April 2020 in order to focus on effective management of these assets. The work of the team can be categorised in three key areas:

- Estate Management
- Facilities Management
- Property Development

The initial focus for the new team had been around establishing an up to date asset register co-ordinating information from a wide range of datasets. A comprehensive assessment of property health and safety aspects of all assets in the Council ownership has been undertaken and actions have been implemented to achieve 100% compliance.

A review of leases, rents, service charges and income levels is underway to maximise the commercial return and effective management of the Council's assets. A comprehensive programme of condition surveys is undertaken to assess the conditions, risks and associated costs for effective maintenance of assets. This has been a crucial piece of work to form the basis of the Asset Management Plan (still under development) as well as informing Capital Strategy in the future and the Medium Term Financial Strategy.

The completed stock condition surveys have been assessed by the instructed building surveyor on a severity rating basis so that it is possible from the reports to identify those items that must be addressed for H&S or structural failure reasons or otherwise are identified as essential repairs (condition rating 1 or 2) based on the table below.

| Code | Priority | Definition & Reason for Expenditure | Probable Outcome if Determined |
|------|-----------|--|---|
| 1 | Essential | In a poor or hazardous condition. Works needed to comply with Health & Safety or other statutory obligations. | Failure to meet legal responsibilities. Possible closure of sections of the property. Danger to property users and the public. |
| 2 | Necessary | In poor condition or reaching the end of its useful life. Comprehensive repair or replacement is needed in the short term. | Property or element will become unfit for its purpose. Maintenance and running costs will escalate. Inconvenience to property users. |
| 3 | Important | In fair or serviceable condition with evidence of wear and deterioration. Repair or partial replacement needed. | Further deterioration and damage. Repair costs and running costs will increase with a period of deferment. |
| 4 | Desirable | In good condition. No immediate significant repair or replacement is necessary. | Deferment of repair or replacement over the lifespan of property or elements could result in lower standards and a decrease in asset value. Also includes desirable works which may be required for cosmetic reasons. |

Based on the above, the Senior Leadership Team has agreed the approach of allocating resources for dealing with actions related to severity rating 1 and 2 which include essential repairs that are needed to meet the council's obligations under its Asset Management Plan (being updated currently) and are necessary to meet minimum Health & Safety standards, and will help mitigate the council's liability exposure to potential insurance claims (slips and trips in car parks for example).

These essential repairs are identified at a cost of £380,300 over the next financial year from 1st April 2022, and allocate the necessary financial resources accordingly. It is to note that based on this approach, it will be necessary to revisit, on an annual basis, the condition surveys and reassess whether new essential repairs are identified annually. A range of sources are identified to fund the works. For example,

car parking repairs have been identified as to be funded from disposal receipts (Wilton Road and Park Lane former toilet blocks, combined guide price of circa £100k to £120k for sale at public auction before 31 March 2022). Other repair costs are identified from established Sinking Funds / disposal receipts (i.e. Cattle Market North) or from other sources of external grant funds.

In parallel to the above, the Council has launched an ambitious Asset development Programme. It is proposed to assess the development potential of all council owned assets to maximise their ability to create new homes, jobs and community facilities. In April 2020, the Cabinet agreed to accept £500k of Business Rate Pool (BRP) funding allocated via the LLEP, to be matched by an allocation of £375k from the Council's Capital resources. In December 2020, the Council approved the inclusion of £285k within the Capital Programme for the Asset Development Programme Phase 1. The work undertaken by using this approved funding will determine the next steps for the capital strategy. It is proposed to undertake an options appraisal for the Council's direct investment in developing these assets to inform the next steps.

Housing Revenue Account Business Plan

A long-term Housing Revenue Account Business Plan is currently being developed and due to be approved shortly. This means the Council will have a clear picture from April 2022 on what is needed to maintain the stock. Given the increased requirements for "zero carbon" and the new Decent Homes Standard (referred to in the White Paper), the Council will be better positioned to develop long-term programmes to meet Priority Two of the Corporate Strategy. Investment in the Council's ICT systems means that the Council now has an asset management system to collate and report on all stock data and to profile future works. The Council will survey 20% of its housing stock each year to ensure an ongoing understanding of the quality and profile of its housing stock.

The updated HRA business plan is due to be presented to members in March 2022 shortly after the budget setting process has been agreed for 2022/23 to allow for all the information to be collated and analysed. The aim was for the business plan to be presented alongside the HRA budget and rent setting proposals but due to a resourcing issue with the HRA at a senior level with a changeover in management during the year this has impacted the anticipated delivery timescales.

Therefore, at the time of compiling this strategy the HRA elements will only cover 2022/23 but will be updated in year once the new HRA business plan has been approved to cover the medium-term impacts.

In developing and refreshing the long-term business some of the key influencing factors that will be built into the proposed capital programme are:

- Housing Improvement Plan and focus on landlord health and safety (November 2019)
- Internal audit report on landlord health and safety (November 2019)
- Corporate Restructure report (November 2019)

The council has made significant progress in addressing the actions outlined in the in the three key documents mentioned above and the new business plan will allow the Council to move from a reactive to a planned and proactive position. Whilst there are still some legacy issues to overcome, the investment to date has had a positive impact. Continued investment in stock improvements and planned maintenance will be required in order to meet the aspirations of tenants, the Councils priorities and the expectations set out by the Regulator for Social Housing.

Risk Management Framework

It is important for us to apply the corporate Risk Management Framework principles to the risk approach adopted in our Capital Strategy. Our Capital Strategy includes a high level risk assessment, which will be linked to our corporate risk assessment. The Capital Strategy risk assessment matches the corporate scoring approach and takes into consideration the CIPFA Prudential Code 2017 requirements for the assessment of risk on investments.

5. Capital investment ambition by Corporate Priority

The following sections map out our capital investment ambition by Corporate Priority, including the expected outputs and outcomes from the delivery of this ambition. It is important to explain what we plan to achieve from our capital investment plans in terms of the clear priorities and delivery plan that we have put in place to meet the needs of our area, to support our unique brand, to address our community consultation feedback and to ensure that we manage our resources on a value for money basis.

5.1 Place Priorities

The Council's Corporate Delivery Plan acknowledges the importance of investment and enhancement of Melton as a place and sets out clear priorities. The Capital Strategy identifies how these priorities will be achieved through the use of Council's assets, capital and finances. The Council plans to prepare an ambitious investment strategy with a series of short, medium and long term income potential identified.

This will include clear priorities and delivery plan to meet the needs of our area, to support our unique brand, to address our community consultation feedback and to ensure that we manage our resources on a value for money basis.

A series of initiatives are already underway that would help deliver the Place priorities identified in the Corporate Plan and inform the Council wide asset development and investment strategy.

Ongoing key strategic projects are:

1. Food Enterprise centre- The Council has approved plans for establishing a Food Enterprise Centre in Melton with initial phase of activities centred around the southern cattle market site. £100k grant funding from the LLEP has been secured, matched by the Council's investment of £50,000 to support a range of activities including strengthening infrastructure for holding events in a -safe way, providing temporary development kitchen facilities for supporting start-ups and creating a cluster of on-site food production businesses. This work will inform a detailed business case for future capital funding bids.
2. Health and Leisure provision - In April 2020, the Council approved acceptance of grant funding for £100,000 from LLEP, matched by the Council's investment of £50,000 to develop detailed proposals for best utilisation of the Waterfields and Melton Sports Village sites and the future of leisure provision in Melton. Discussions are ongoing with CCG and other health providers for a joined up approach in delivering community facilities for health and leisure. This work will inform a business case for future capital investment in this project.

3. Country Park- A sum of money has been allocated from the health and leisure project to prepare a masterplan of the Country Park to explore outdoors leisure provision within the park. The consultants have been appointed and stakeholders engagement activities are planned to inform the preparation of the plan.
4. Cattle market – As part of the Asset development programme, the Council approved the disposal of north cattle market site to enable it to be developed for residential use as per the allocation in the Local Plan. The capital receipts from this disposal will form part of the Council's long term investment strategy. A masterplan is being prepared for the development of southern cattle market site using the grant funding from LLEP.
5. Lake Terrace – The Council has approved disposal of access road to the Lake Terrace waste collection depot to enable the development of 90 affordable homes on the adjacent vacant site. This disposal will generate capital receipt, get the road adopted by LCC and remove maintenance liability for the Council in future. Work is also underway to improve drainage infrastructure at the depot.
6. Rail Connectivity – The Council had been successful in receiving £50,000 from the Department for Transport (DFT) through their 'restoring your railways' programme for preparing a strategic business case for improving rail connectivity between Melton and Nottingham via Loughborough. This work is now complete. This initiative has the potential to improve access to jobs and skills for Melton residents as well as to make Melton accessible to a wider audience as a quality tourism destination..
7. MMDR – The Council has worked in partnership with developers and landowners to prepare masterplans for the Southern and Northern Sustainable Urban Neighbourhoods to deliver over 4500 homes as per Local Plan allocation. The Council is now working with Leicestershire County Council and Homes England to deliver the much needed highways infrastructure in form of Melton Mowbray Distributor Road (MMDR) as well as 4 primary schools, 2 secondary schools and develops over 70 ha of employment sites.
8. Town Centre Enhancements – The Council is working collaboratively with Place Board partners such as Business Improvement District (BID) and Melton Mowbray Town Estate (MMTE) to draw up plans to reduce vacancy, improve public realm, enhance shop frontages and increase accessibility in the town centre. This work will form the basis for future funding bids for capital works.

9. Climate Emergency – The Council has declared climate emergency and pledged to ensure Council operations are carbon neutral by 2030 and promote sustainability within the Borough. A climate change officer has been appointed and this initiative will have an impact on all strategic investment and expenditure decisions for the Council going forward. The Council has been successful in receiving in principle approval for grant funding from a range of government sources to improve energy efficiency on private as well as council owned homes.

Following the broad range of work that is currently being undertaken during the next 12 months, the Council will continue to update and refine the capital programme where projects can be taken forward for development.

All these activities, along with the delivery of the Local Plan by working with private and public sector partners, developers and land owners will help in delivering growth in housing, business activities and leisure provision that would contribute to creating and shaping the place that Melton is aspiring to be.

Alongside maintaining our property assets, the Council also has responsibility for ensuring wider public realm assets are effectively managed and maintained; as well as maintaining and renewing the vehicles used to undertake various environmental services. The Council has made provision through an annual revenue contribution to a number of repair and renewal funds which enables the capital costs associated with these to be met from an existing fund, rather than through borrowing or the use of capital receipts. The level and contribution made to these funds is currently under review to ensure it is appropriate and following the adoption of the Local Plan the 106 developer contributions SPD will potentially create opportunities for alternative funding sources.

5.2 People Priorities:

The People Priorities set out the objectives led by the Housing and Communities Directorate for the next year and provide a roadmap for services to follow which focus primarily on assisting our residents and customers to live well and independently.

Through the achievement of these priorities, we hope to provide an accessible route into our services for our customers whilst ensuring resource is targeted at those in our communities who are most in need of assistance. Some of the key People Priority projects relevant to this strategy to be focused on over the coming year are:

1. Transition from the Housing Improvement Plan to the **implementation of the Housing Revenue Account Business Plan** and associated Asset Management Strategy to inform the significant investment in improving the

quality of council homes, including investment in properties, neighbourhoods and assistive technology.

2. Meet **Decent Homes Standard** – through significant capital programmes as referred to above, focusing on new kitchens, bathrooms and heating improvements to ensure our properties meet the Decent Homes Standard – to be profiled and planned in response to the stock condition surveys. Further development of the Councils housing asset management system will enable robust data capture, monitoring and reporting. Continued improvements to the councils' voids process will form part of this work.
3. Provide **new high quality council homes** – through delivery on the Council's own sites and working in partnership with developers and other partners to improve the numbers and quality of the Council's own housing stock including using capital receipts to support development opportunities. A Housing Development Strategy will guide this work, led by the Councils Housing Development Manager.
4. Investment and improvements to our **digital systems** are a key enabler for our customers and our services. These projects / programmes of work are overseen by the Councils Customer and Digital Improvement Board. The focus of this work, and indeed that of a wider 'people offer' includes modernising our offer to customers, improving our offer for customers in need of support and ensuring we take every opportunity to use data, evidence and insights to improve the way we work, whilst also progressing opportunities to align and integrate services to enable better outcomes for customers. These changes will also enable efficiencies for staff teams and both improve and modernise the way we work. Some examples of ongoing work include:
 - a. A new **Customer Engagement and Self-Serve platform** (IEG4) was implemented in April 2021 with further enhancements and development ongoing. There has been notable progress in developing the IEG4 platform to enable customers to access services online, including the development of a new and accessible web form for pre application planning advice and payment. As online forms are developed, they are rule driven to ensure they are more intuitive and user friendly, and from a service delivery perspective; enable services to work more efficiently. Work is underway with services to better understand their demand, customer offer, customer journey and how IEG4 can assist in the future to enable more customers to access the services they need at the right time. Additionally, analysis of emails to the customer services team inbox to understand trends in customer queries has led to a 'contact us' form being added to the council website, which provides information, relevant links and supports

customers to access services and forms online. Officers continue to support customers where needed.

- b. Development of a new **Choice Based Lettings (CBL) System** to enable the assessment of housing need and allocation of social housing within the Borough. This is a project that had been delayed and more recently was placed on hold to enable a full review of the Councils Housing Allocation Policy, which the CBL system will enable the Council to deliver.
 - c. Development of a new **Housing Advice and Homelessness System**, to enable the robust management of the Councils homelessness duties in line with the Homelessness Reduction Act 2017. Critically, this system will interface with the Choice Based Letting System to ensure a single view of the customer / improved customer journey. The system will also automatically populate a quarterly data return to Government, which marks a significant improvement in data integrity and service efficiency. The system went 'live' in January 2022 and integration with the CBL system will progress during 2022.
5. **Lifeline Services.** Support residents to remain safely and independently at home. Customers pay to receive this service. Currently there are three separate Lifeline offers delivered by the Council, leading to confusion and a lack of clarity of the offer to people in Melton. The equipment used to deliver the service needs to be upgraded / digitally enabled. During the next year, the Council intends to undertake a full review of its approach to providing assistive technology, with a view to establishing a single, customer-focussed and commercially viable, assistive technology offer across Melton, irrespective of tenure. A capital allocation to support the compatibility of Lifeline Units as part of the Digital Switchover has been incorporated in the Budget proposals for 2022/23 (non MBC properties) and provision will also be made within the HRA business plan (MBC properties). A review of the Councils Intensive Housing Management Service will be carried out alongside this programme of work.
6. The future **CCTV** offer in Melton will be reviewed in 2022/23 to enable proposals for a revised, digitally enabled offer to be developed. This includes a review of equipment, partnership arrangements and hosting of monitoring equipment. It is anticipated that these proposals will lead to an in year business case and proposal that may create an additional requirement within the capital programme, though it is not envisaged this will be significant.

7. The Thorpe Road **Cemetery** has an estimated 3-5 years operational viability remaining due to available plot space for burials and cremations. Although a recent Open Spaces assessment identified two potential options for expansion of the service, a significant amount of work is required to move from an initial assessment of options, through to identification of a preferred site, purchase (if necessary), undertaking the required ground assessments and moving to an operational position. This is a specialist area of work and it is proposed that the Council invest in specialist project management to lead a robust options analysis (for member consideration) and cemetery development work programme in 2022/23. This work would be funded from an existing budget and special expenses reserve.

5.3 Great Council Priorities:

Our Great Council priorities as set out in the Corporate Plan focus on ensuring we have in place the right conditions to support service delivery and that we are connected to and led by the community. We aim to maintain a personal approach but also harnessing appropriate technology to make our services more accessible and fit for the digital economy. This latter aim in terms of capital requirement does necessitate investment in ICT where we have a clear roadmap as expressed in our ICT digital strategy and action plan.

ICT Digital Strategy and Action Plan

The ICT Digital Strategy Action Plan has been developed in line with the ICT Service Technology Roadmap, Partner Business Planning Activities and Strategic Board prioritisation. The Strategy identifies a programme of activity for each of the Partner organisations (Hinckley and Bosworth,, Blaby, Melton or the Leicestershire Revenues and Benefits Partnership). Objectives are aligned to the those prioritised in the LICTP Digital Strategy 2018-2022. The strategic document will be updated annually to include the following years' essential works however the focus for 2022-23 will be embedding the new in house ICT Service Contract following a review of the strategic direction of the partnership and the technology each council needs to support more hybrid ways of working following the pandemic.

ICT General Principles

The current estate is deployed into a single data centre hosted at Hinckley and Bosworth Borough Council (HBBC), with an additional data centre at Melton Borough Council (MBC) acting as a Business Continuity / Disaster Recovery location. The majority of the estate of all three councils is virtualised onto VMware hosts in the

HBBC data centre with a small number of Solaris servers that support line of business applications.

Citrix end user compute is the primary desktop solution provisioned through thin client devices, laptops and remote desktop services. A common Mobile Device Management solution has been deployed across all partners providing Wi-Fi and management of mobile devices such as iPad and iPhone.

As the LICTP has matured it has taken opportunities to consolidate solutions and / or co-terminate support and maintenance- for example there are common solutions in place for Antivirus, Web and Mail security, approved builds for End User Devices (EUD) and shared Business Continuity and Disaster Recovery (BCDR) arrangements.

The LICTP works with partners to identify common business solutions and align version control, to benefit from efficiencies in upgrade testing and economies in supplier management.

The focus of the Capital Strategy for ICT over the coming years is to consolidate and develop the ICT infrastructure, strengthen security and maintain a supported environment that will be able provide a robust and reliable service for our Staff and their Customers. Alongside this embedding the future ICT service arrangements from 2022 to improve operational performance and exploit strategic opportunities will be a key action undertaken in the coming year.

Following the implementation of a new CRM system as referred to as a key People Focused project, a **new Finance System** went live in 2021/22. Again this is a Cloud based system and therefore was funded from revenue but at £250k was a significant investment for the Council. Phase 1 is complete and Phase 2 will be undertaken in 2022/23.

Investment in Commercial Activities

With the financial challenges facing local government we also have a priority to become more commercial in order to secure our financial future. There is much work to be done in setting out our priorities in this area but it is certain that there will be a need to invest both capital and revenue in order to increase our income streams in order to bring the necessary investment that can be made in improving service provision and protecting the services customer value. The capital requirements for this investment are still at an early stage and will develop over the next 12 months. With the limited resources at the Council's disposal it is likely that any such capital investment would require a level of borrowing however each business case will be assessed on its merits as each project will be required to make a return not only to service the debt but also yield additional income for investment in service delivery.

5.4 Core influences – action plan

The main areas progressed over the last 12 months relating to capital programme and strategic development of Council assets has been:

- **Melton Mowbray Distributor Road** – whilst not directly funded by the Council, an agreement has been reached with the County Council regarding a staged payment agreement which does expose the Borough Council to some financial risk. The Council would help to mitigate the financial risk to the County Council, up to a cap of £1.75m (subject to indexation) which is likely to be funded through internal borrowing. The first payment will be due in 2022/23
- **Business Rates Pool:** The Council has been successful in securing revenue funding from the business rates pool to support the development of feasibility and business cases in relation to the Food Enterprise Centre and Health and Leisure Park. This funding is being matched through council revenue funding and forms part of the prepared budget. The Council has also been successful (in principle) to receive £2m of capital funding for the health and leisure park though this will be the subject of further due diligence discussions and development of the business case.
- **Housing Improvement Plan:** In November 2019 the Council published a comprehensive plan to improve the quality, health and safety of council homes and landlord services; as well as to deal with some more immediate compliance issues. The plan supports and underpins commitments made within the Corporate Strategy 2020-2024 and the Interim HRA Business Plan. Significant investment in this area has led to a much more positive picture including investment in properties, staffing and in IT infrastructure to monitor compliance. A full stock condition survey is currently underway to inform a long term HRA business plan. This will supersede the Housing Improvement Plan and support the Council to move to a business as usual position for its landlord services.
- **Developer Contributions SPD:** Published in year which identifies the key priorities for the securing of developer contributions towards key infrastructure projects, including the MMDR.

However there remain a number of key actions which need to be delivered in the coming 12 months some of which have slipped due to the continued pandemic response which has impacted on delivery which need to be addressed so as to provide a fully comprehensive Capital Strategy.

| Influence | Action | Responsibility | Timescale |
|---|--|--------------------------------------|------------------|
| Update the Asset Management Plan (AMP) | Current AMP is out of date and therefore needs updating based on the recent Stock condition surveys work. | Director for Growth and Regeneration | April 2022 |
| HRA Business Plan (Full review) | Following the adoption of the Interim Business Plan in January 2020, a full HRA Business Plan is required to ensure the long term financial viability of the HRA is understood and associated capital investment. A updated business plan is due to be presented to members at the end of 2021/22. | Director for Housing and Communities | April 2022 |
| ICT Service Delivery | The strategic direction has been now been agreed. The next stage is to develop an ICT roadmap for the partnership which will in turn inform the capital programme needs. | Director for Corporate Services | April 2022 |
| Vehicle replacement programme | Review our approach to vehicle replacement policy, consider optimum replacement cycles and green procurement. | Director for Housing and Communities | Oct 2022 |
| Play Equipment replacement programme | Review our play equipment replacement policy to assess lifespans and investment plans. | Director for Housing and Communities | Mar 2023 |
| Limited capital financing for future asset management | Establishment of a new general repairs and maintenance reserve | Director for Corporate Services | April 2022 |

6. 5-year capital investment plan

6.3 Our 5-year capital investment plan incorporates the 2021-2025 Capital Programme and a forecast of capital investment requirement up to 2026-2027, based on our capital investment ambition. It has been prioritised in line with our corporate plan and Treasury Management to ensure that the 5-year position is affordable and deliverable as planned. Our risk assessment examines the risk against the affordability and deliverability assumptions and this will inform the ongoing review of performance and update of the investment plan to ensure that it is effectively managed.

The Capital Programme is not only for maintaining core assets to ensure Melton can continue to do business but also to positively intervene in key investments areas which require borrowing but this would be focused by the outcomes of the commercial development appraisals where would expect any borrowing to generate a return.

The following tables provide an overview of the 5-year investment plan from an investment and financing perspective, an affordability perspective and in terms of the contribution to the achievement of our Corporate Priorities, our community improvements and our growth targets. More detailed capital plans are included in Appendix A:

GENERAL FUND

| 5 YEAR INVESTMENT PROGRAMME | <u>2022/23</u> £'000 | <u>2023/24</u> £'000 | <u>2024/25</u> £'000 | <u>2025/26</u> £'000 | <u>2026/27</u> £'000 | <u>Total</u> |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------|
| GREAT COUNCIL | 133 | - | - | 12 | 92 | 237 |
| PEOPLE | 914 | 345 | 345 | 345 | 345 | 2,294 |
| PLACE | 576 | - | - | 500 | - | 1,076 |
| Total Programme | 1,623 | 345 | 345 | 857 | 437 | 3,607 |

| 5 YEAR FUNDING PROGRAMME | <u>2022/23</u> £'000 | <u>2023/24</u> £'000 | <u>2024/25</u> £'000 | <u>2025/26</u> £'000 | <u>2026/27</u> £'000 | <u>Total</u> |
|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------|
| REPAIRS & RENEWAL /SINKING FUNDS | 271 | - | - | 12 | 92 | 375 |
| INTERNAL BORROWING | 250 | - | - | 500 | - | 750 |
| GRANT FUNDING | 899 | 345 | 345 | 345 | 345 | 2,279 |
| CAPITAL RECEIPTS | 108 | - | - | - | - | 108 |
| CAPITAL RECEIPTS LEISURE VISION | 95 | - | - | - | - | 95 |
| Total Programme | 1,623 | 345 | 345 | 857 | 437 | 3,607 |

As can be seen from the tables above at the current time it doesn't appear that the Council has an overly ambitious capital programme but as outlined in the previous sections of the strategy there are some significant items which could significantly impact on the forward capital projections – including:

- Annual stock condition surveys - based on the approach to undertake annual reviews to look at the essential / necessary works the yearly refresh could result in additional annual costs that cannot be covered through existing planned financing.
- Progression of the Asset Development Programme to inform the ongoing management of assets linked to future disposals which may be required help generate capital receipts to be investment in existing or new assets. This would cover key areas such as Cattle market, Leisure and housing

As these areas become further developed and financial analysis becomes available the capital strategy will be refined as an up to date living document.

HOUSING REVENUE ACCOUNT

Alongside the General Fund the council also maintains its own housing stock. Due to the updated HRA business plan not being approved at the time of compiling the table below and associated appendix B only covers the next financial year for 2022/23. Once the new business plan is approved and the associated Housing Asset Management Plan this strategy document will be updated accordingly.

| 5 YEAR INVESTMENT PROGRAMME | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | Total |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------|
| HRA Funded by | | | | | | |
| Major Repairs Reserve | 1,690 | TBC | TBC | TBC | TBC | 1,690 |
| HRA Capital Receipts | 1,925 | TBC | TBC | TBC | TBC | 1,925 |
| Development and Regeneration Reserve | 1,023 | TBC | TBC | TBC | TBC | 1,023 |
| Total Programme | 4,638 | TBC | TBC | TBC | TBC | 4,638 |

- 6.4 The following sections examine the evaluation and prioritisation of our 5-year capital investment plan, the additional analysis that informs our Capital Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap.

GENERAL FUND

Within the General Fund there are various funding sources including Replacement and Renewal funds which have been established to make annual revenue contributions into a reserve to fund future capital expenditure on areas such as vehicle, ICT, playgrounds as well as external grant funding for DFG's but the main source of funding comes from Capital Receipts.

The table below summaries the current and future forecasts for the Capital Receipts reserve;

| Financial Year | Expenditure | Balance on Reserve |
|--|-------------|--------------------|
| 2020-21 | - | £636k |
| 2021-22 | £344k | £292k |
| Future earmarked Allocations – Asset development programme | £253k | £39k |

The balance on the capital receipts as at 31st Mar 2021 was £636k of which £344k will be used to finance the current year's programme, plus a balance of £253k already allocated to support the Asset Development Programme. A capital receipt of £77k has been generated in year which will leave £116k available to finance the 2022/23 capital programme and future years; subject to any further capital receipts being generated.

As outlined in the table above in para 6.1, £108k is planned to be funded from capital receipts in 2022/23 resulting in an anticipated balance as at 31 March 2023 of £8k.

Therefore, there is limited scope for future funding. There has been one capital receipt for circa £77k for one toilet block and a further toilet block is due for disposal with a similar guide price identified and will factored into any future reserve balance if / when it is achieved.

There may be the opportunity to generate further capital receipts but the council only owns a limited amount of sites / assets some of which may be used to support any commercial activities around housing so this is unlikely to help improve the balances. Therefore, once the future capital programme becomes more developed the future funding requirements will need to be reviewed which may lead to a borrowing requirement on the general fund which is currently debt free although there are proposals to fund a contribution to LCC for education infrastructure funded from borrowing. Therefore the prioritisation of capital schemes will be key with limited capital resources. As such utilising borrowing to fund such investments would mean these would need to be affordable in revenue terms through reductions in net expenditure.

Another, further small disposal is planned in 2022/23 which will help increase the reserve balance and will link to the asset development programme.

Alongside this there is a provision of £745k earmarked to support delivery of any future leisure vision projects which has been required to be used to support expenditure that

would normally be funded from general capital receipts but due to the extremely low balance a portion of this is required for 2022/23.

Housing Revenue Account

In the main the HRA programme is funded from the three main reserves which are utilised in a priority order:

1. Major Repairs Reserve
2. HRA Capital Receipts
3. Regeneration and Development Reserve (this is built up from contributions from the revenue account in line with the interim HRA Business Plan).

6.5 The capital programme is integrally linked to the Treasury Management Strategy in terms of informing future cashflow, interest returns, borrowing requirement and medium term financial sustainability. The 2021/22 Treasury Management Strategy has been prepared based on the information contained within this Capital Strategy to ensure the two documents are aligned and any associated implications taken into account when setting the prudential indicators. Both strategies will be presented to Full Council for approval at the annual budget setting meeting in February 2021 where further information can be found.

7. Risk Assessment

7.3 The following table summarise the detailed Risk Assessment that has been undertaken in line with our Risk Management Framework. The table includes the key risks, the mitigating factors and the residual risk score to highlight the main considerations for our Capital Strategy:

| | | | | | | |
|-------------|---|-------------------|------------|----------|-----------|--------------|
| Likelihood. | A | Very High | | | | |
| | B | High | | | | |
| | C | Significant | | 2 | 3,8,9 | |
| | D | Low | | 1 | 6,7,10,11 | |
| | E | Very Low | | 4 | 12 | |
| | F | Almost Impossible | | | | |
| | | | Negligible | Marginal | Critical | Catastrophic |
| | | | 1 | 2 | 3 | 4 |
| | | | | Impact | | |

| ID # | Description of Risk or Uncertainty | Mitigating factors | Residual Risk Score |
|---------------------|--|---|---------------------|
| Reputational | | | |
| 1. | Adverse publicity associated with the implementation of the Commercial Property Investment Strategy | <ul style="list-style-type: none"> • Meaningful consultation with all key stakeholders • Appropriate communication of intent • Collaboration and communication with peer local authorities • Development of a robust business case • Strong due diligence for each commercial property investment • Risks associated statutory compliance and new regulations | 6 |
| People/human | | | |
| 2 | Delay in recruiting to residual property and housing vacancies | <ul style="list-style-type: none"> • Effective recruitment process being conducted • Good business continuity being applied during the management gap | 8 |
| 3 | Competing priorities resulting in reduced capacity to deliver Capital Programme – including emerging national issues such as COVID | <ul style="list-style-type: none"> • Major programmes driven by Senior Leadership Team • Clear and deliverable Capital Strategy driven by Corporate Priorities • Effective and co-ordinated asset management • Strong prioritisation at planning stage • Robust governance and programme management in place • Performance and exception reporting linked to our main reporting cycle | 12 |

| ID # | Description of Risk or Uncertainty | Mitigating factors | Residual Risk Score |
|---------------------------|--|--|----------------------------|
| Social/community | | | |
| 4 | Inadequate consultation leading to a lack of understanding of the purpose and expected outcomes of 10-year capital investment plan | <ul style="list-style-type: none"> • Consultation in line with statutory requirements • Effective consultation process with key stakeholders in line with corporate approach • Clear actions linked to consultation feedback • Monitoring and reporting on progress against agreed actions • Development of priority 6 and the Melton deal | 4 |
| Financial/Economic | | | |
| 5 | Economic volatility and statutory restrictions leading to failure in commercial properties and / or lower than forecast returns from commercial property investment, leading to significant adverse impact on reserves – recession, COVID, Brexit, political upheaval etc. | <ul style="list-style-type: none"> • Commercial Property Investment Strategy (CPIS) in place • Risk assessed property portfolio based on CPIS • Strong governance and process set up ahead of investment • Robust business case methodology in place • Due diligence applied to all commercial property investments • Performance and exception reporting linked to our main reporting cycle | Dependent on risk appetite |
| 6 | Poor capital scheme forecasting leading to capital scheme overspends and higher revenue impact | <ul style="list-style-type: none"> • Collaboration across all relevant support services with intelligence and data sharing • Application of scenario and sensitivity approach to test forecasts and assumptions • Performance and exception reporting linked to main reporting cycle | 9 |

| ID # | Description of Risk or Uncertainty | Mitigating factors | Residual Risk Score |
|----------------------|--|---|---------------------|
| 7 | Poor capital programme management leading to slippage | <ul style="list-style-type: none"> • Strong management structure in place • Robust governance and programme management in place • Performance and exception reporting linked to main reporting cycle | 9 |
| 8 | Lack of recognition of asset capital commitments | <ul style="list-style-type: none"> • Discussion of risk and starting to identify required actions • Stock condition surveys commissioned and ready for review and challenge • Initial forecast made in 10-year capital investment plan • RTB Receipts investment plans to avoid government payback | 12 |
| 9 | HRA unable to meet decent homes standard | <ul style="list-style-type: none"> • Stock conditions surveys in place and commissioned • Interim HRA Business Plan • Housing Improvement Plan | 12 |
| Legal | | | |
| 10 | Lack of clarity in the application of Powers when dealing with commercial property investments | <ul style="list-style-type: none"> • Development of robust business cases for each commercial property investment • Strong due diligence for each commercial property investment • Legal opinions sought where appropriate | 9 |
| Environmental | | | |
| 11 | Failure to adequately recognise environmental impact of major capital schemes | <ul style="list-style-type: none"> • All appropriate surveys and environmental studies undertaken to suit each individual scheme • Strong consultation with key stakeholders • Joint working and collaboration with partner authorities and agencies • Deliver actions through Climate Change group | 9 |

| ID # | Description of Risk or Uncertainty | Mitigating factors | Residual Risk Score |
|---------------------------|--|---|---------------------|
| Partnership/collaboration | | | |
| 12 | Not achieving the optimum funding leverage from regional opportunities where identified initiatives match one or more of our Corporate Priorities – Midlands Engine and LLEP | <ul style="list-style-type: none"> Action plan for external influences Action plan for national /regional lobbying and collaboration Building on the success of the recent bids Cattle Market bid to the Local Growth Fund | 6 |

8. Capital Project Appraisal process and governance

8.3 Developing proposals

Individual proposals are developed by each Director which includes development bids for their services in line with priorities. This may be informed by the reviews being carried out within the service, by the corporate improvement team or the outcome from specific public consultation(s).

Business cases are reviewed by the Senior Leadership Team (SLT) who if they approve a project, will then undertake an exercise to prioritise all the projects submitted for the annual budget process. These capital projects will then be forwarded to Cabinet for consideration and approval by Members.

Each project will be assigned to a Programme Board whose role is to implement and monitor the project. Highlight reports are provided to the relevant board and summary reports provided to SLT and Members.

Any movements or changes on the capital programme need to be in line with relevant delegations contained within constitution.

The Council's project management toolkit sets out the requirements at each stage of the project management process

8.4 Senior Leadership Team

The Senior Leadership Team have responsibility for ensuring options for funding are considered by Cabinet and Council as part of the budget setting process. SLT provides a forum to ensure that capital expenditure on projects is allocated and prioritised through a structured corporate business planning process which aligns with our Corporate Priorities. Whilst projects are approved at Full Council each February, schemes can be considered in year by Cabinet and Council as appropriate. SLT are also supported in the review by providing guidance during the budget process via the relevant internal review boards which have been developed as part of the Councils new ways of working. There have been internal boards set up which are aligned to directorates and priorities that oversee the delivery of key projects.

These boards will help SLT in the establishment and monitoring of key projects whereby first stage business cases will be reviewed for SLT sign off and then overseeing project progress by reviewing highlight reports from the boards.

A summary of the main tasks allocated to the SLT are as follows:

- To implement our prioritisation process for Capital Expenditure;
- To monitor the delivery of our approved Capital Programme;
- To develop and evaluate proposals for service delivery assets.

Projects are also taken through the necessary approval process via Cabinet and Council inline committee process in accordance with our project appraisal process.

8.5 Consultation and stakeholder engagement

The Governance review identified that greater stakeholder engagement is required by the Council. As part of this process, in addition to engagement with members a Residents Survey was held in June 2019 and attracted over 1,700 responses. The survey collected the views of the community on a range of issues around Melton as a place to live and views of the Council as a whole and individual services. The results of the Residents Survey have been used to inform the Corporate Strategy (2020-2024) and will in turn be used to inform the Capital Strategy. It is planned to undertake a further survey subject to budget approval to enable the direction of travel to be assessed and understood.

To inform the HRA Business Plan review, a survey and roadshows will be held to gather tenant and leaseholder views on the priorities. In addition, the Tenant Forum Executive Committee will be consulted throughout.

9. Skills and Knowledge

9.3 In house Resources

The successful implementation of the Capital Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects
- acquiring and selling properties
- commissioning partners to deliver the capital programme
- managing properties as a landlord
- sourcing suitable opportunities that match the criteria set under the adopted strategy

The Council currently has in place two key streams of work:

Growth and Regeneration Directorate (supporting Place priorities) which manages the current operational and non-operational asset portfolio but will also lead on any commercial investment and de-carbonising work supported by the finance team and others. Key officers included in this team are:

- Director for Growth and Regeneration
- Corporate Asset Manager
- Regeneration Manager
- Building Surveyor

Housing and Communities Directorate (Supporting People priorities) this team has responsibility for the management of the Council's Housing Stock. Key Officers in this area are:

- Director for Housing and Communities
- Assistant Director, Housing Management
- Housing Asset Manager
- Housing Development Manager

9.4 Externally Available Resources

The Council also makes use of external advice in developing projects or undertaking due diligence including external valuers, property condition experts, market appraisers etc. Other advice will be commissioned as and when required. This may also include working with its Treasury Advisors as appropriate to support any associated Treasury implications.

9.5 **Members**

Members are familiar with the budget process and approve the Treasury Management Strategy and Budget. Any additional training requirements will be discussed with the Cabinet including the Portfolio Holder leads for key priority projects.

Signed: Dawn Garton – S151 Officer