



**Melton
Borough
Council**

Capital Strategy 2024/25

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1. Introduction

1.1 Purpose of the Capital Strategy

1.1.1 The main purpose of the Capital Strategy is to define how Melton Borough Council will maximise the impact of its limited capital resources to deliver its key aims and priorities. It considers future capital investment needs, especially in relation to regeneration and the growth agenda, and ensures the optimum impact of those investments. It also helps the Council to be clear on its priorities for bidding for external funding.

1.1.2 In managing its Capital Strategy, the Council will have regard to its statutory obligations within the context of a changing operational environment, the longer-term impact of its decisions, the delivery of value for money and the risks associated with any course of action.

1.1.3 The strategy is designed to fully comply with the [Prudential Code of Practice for local authority capital investment](#) by the Chartered Institute of Public Finance and Accountancy (CIPFA) in parallel with guidance to local authorities from the [Ministry of Housing, Communities and Local Government](#) (MHCLG). The main purpose of the Code is to ensure that capital investment proposals are affordable, prudent, and sustainable.

1.1.4 By the very nature of capital investment, it is necessary that this strategy takes a longer-term view. However, the strategy also focusses on the medium term to fit in with the Medium-Term Financial Strategy, the latest version of which covers the period from 2023/24 to 2026/27.

1.2 Key Strategies and Plans

This Capital Strategy is also underpinned by a few other key strategies and plans.

- Corporate Strategy - The Council's aims and priorities are set out in the [Corporate Strategy](#), the latest version of which covers the period 2020 to 2024. A new Corporate Strategy underpinned by a 2036 Vision, and a 4-year Corporate Delivery Plan will come into effect from April 2024.

The priority themes set out in the current [Corporate Strategy](#) are:

1. Excellent services positively impacting on our communities
2. Providing high quality council homes and landlord services
3. Delivering sustainable and inclusive growth in Melton
4. Protect our climate and enhance our natural environment
5. Ensuring the right conditions to support delivery (inward)

6. Connected and led by our community (outward)

- Local Plan – The Council approved the commencement of the Local Plan Review on 26th April 2022. The Members’ Working Group agree five key areas of focus- climate change, affordable housing, leisure, employment land and Melton south sustainable neighbourhood. The Local Development Scheme setting out the timetable for the review until the Spring of 2026 was approved by the Cabinet in December 2022. An Issues and Options consultation started in November 2023 for a partial update of policies in the adopted Local Plan. The draft revised plan will be consulted on towards the end of 2024 following consideration of consultation comments and any new evidence.
- Melton Town Centre Vision – The [Town Centre vision](#) is an important framework document for Melton and the collaborative process taken to develop it has led to the development of an action plan. It was approved by the Cabinet in June 2022. It is a live document that will be updated on an annual basis and will allow the Council and its partners to utilise it as an evidence-based framework for future funding and investment opportunities. The Vision document provides a pipeline of proposed projects and activities through which the Council will be able to proactively seek funding and investment (both public and private) to achieve the agreed aim of securing, enhancing and promoting Melton Mowbray’s position as being the ‘Rural Capital of Food’. The Action Plan is proposed to be delivered through a range of funding sources including LUF, UKSPF and other public and private sector funding. A members’ working group is set up to provide steer on the long term development of town centre.
- Corporate Asset Management Plan – 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. A detailed Asset Management Plan has been prepared, informed by the condition works and risk analysis for planned maintenance programme (PPM). The AMP is due to be considered by the Cabinet and Council in February 2024 following consultation with the members working group.
- [Climate Change Strategy](#) - The Council declared a climate emergency in 2019 and signed up to the Leicestershire Climate and nature pact in 2023. The Council undertook a wide ranging climate change consultation in 2022. Following the consultation and informed by the steer provided by the members working group, a draft strategy is prepared for consultation that started in November 2023. The borough wide strategy provides a foundation to inform and guide the wider communities to get to net zero and become

more resilient to the impacts of climate change locally. The Council has also undertaken a review of the carbon emissions through council's direct service delivery. This provides a good comparison with the data collected in the baseline study in 2019 and demonstrates reduction of emissions through Council's direct actions over the last three year period.

- [Housing Strategy](#) - The Housing Strategy (2021-2026) was adopted by the Council in December 2021. It sets out our ambitions to deliver high quality homes for all, to meet the housing needs of our growing and aging population and to provide the right types of housing in the right places to meet local people's needs, including support for local people who want to own their own home. The strategy collates issues and actions for the Council and its partners across the borough in addition to the Council's role as a planning authority as well as a registered provider for social housing. There were 2,376 homes delivered during the period 2011-2023 with a surplus of 186 dwellings above the housing requirement for the Local Plan. The annual monitoring of Local Plan Policies has demonstrated that 75 affordable homes have been delivered every year since 2018, exceeding the housing needs target of 70. However, this may not be sustained through the whole Local Plan period (2018-2036) due to a variety of factors, including lower house prices and higher infrastructure costs for some developments.
- [Housing Revenue Account Business Plan](#) This was approved by Council in July 2022 and sets out the Council's expectations and plans for council homes for the next 30 years (2022 – 2052) and the financial sustainability of the Council's housing services. It looks at the money available for the Council to maintain and improve council housing and ensures that Council homes remain safe and meet decent homes standards. It also sets out what other housing improvements and investment choices can be made within the budget available, examines how the Council can build new council housing in an affordable and sustainable way to meet the needs of residents in Melton, and considers the implications of the changing regulatory context for the housing sector.
- [HRA Asset Management Plan 2023-2028](#). This was approved by Council in December 2022 and provides a framework for capital investment planning. The Asset Management Plan will be used to set budgets each year and will be updated on an annual basis. This will ensure that it remains current and relevant in line with a changing financial context and regulatory environment. The Asset Management Plan is an evidence led document. It is informed by a comprehensive condition survey of almost 90% of the Council's housing stock and by consultation with residents as part of the development of the HRA Business Plan. It provides responses to policy recommendations arising from the HRA Business Plan, ensures an emphasis on decent and safe homes,

and is set within the context of regulatory change to enable continued compliance and tenant safety.

- [Risk Management Framework 2022/2025](#) - 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.
- Treasury Management Strategy - The Treasury Management Strategy sets out how the Council's treasury management service will support the capital decisions taken, the day-to-day treasury management activity and the limitations on activity through treasury prudential indicators.

1.3 Principles on which the Capital Strategy are based

The Chartered Institute of Public Finance and Accountancy (CIPFA) published an updated [Prudential Code for Capital Finance in Local Authorities \(2021 Edition\)](#), which strengthens the basic principle that local authorities must not borrow to invest primarily for commercial return. Following the Prudential Code and guidance from [MHCLG Investment Strategy](#) which needs to be read in conjunction with the [Guidance on local government investments.pdf \(publishing.service.gov.uk\)](#). This strategy is also cognisant of the latest guidance issued by CIPFA on Prudential Property Investment.

2 The Context of the Capital Strategy

2.1 Corporate Rationale

The [Corporate Strategy](#) outlines the Council's aims and priorities setting out under the key priority themes as highlighted earlier date in the document. Of course, all that the Council does is set within a legislative context, so meeting its statutory obligations is a key component determining the actions it takes in the context of the capital strategy.

2.2 Growth and Demographic Change in Melton

2.2.1 In Melton, the population size has increased by 2.8%, from around 50,400 in 2011 to 51,800 in 2021. This is lower than the overall increase for England (6.6%), where the population grew by nearly 3.5 million to 56,489,800. At 2.8%, Melton's population increase is lower than the increase for the East Midlands (7.7%). In 2021, Melton ranked 305th for total population out of 309 local authority areas in England, moving up one place in a decade. As of 2021, Melton is the fifth least densely populated of the East Midlands' 35 local authority areas. Overall, in England, there has been an increase of 20.1% in people aged 65 years and over, an increase of 3.6% in people aged 15 to 64 years, and an increase of 5.0% in children aged under 15 years. In Melton, there has been an increase of 29.6% in people aged 65 years and over, a decrease of 4.0% in people aged 15 to 64 years, and a decrease of 3.6% in children aged under 15 years.

2.3 Current Challenges

2.3.1 All public sector bodies are under financial pressure as well as there being a need to offer the public a more coherent means of accessing services, and the [One Public Estate \(OPE\)](#) project aims to achieve the rationalisation of publicly held assets. The Council will work closely with its strategic partners to look for opportunities to utilise our collective assets to improve public services and generate savings.

2.3.2 The financial pressures on local authorities, caused in large part by cuts in Government grant funding, but also significant increases in demand for services and more recently inflationary pressures, led to the exploration of alternative sources of income. The increase in surplus assets provides an opportunity for the Council to invest in the repurposing of assets to be able to generate additional income and help the Council to shape the post-Covid recovery in Melton from a regeneration and economic recovery perspective. The Asset Development Programme – Council approved the phase 1 of the Asset Development Programme (ADP) in January 2021. The ADP seeks to maximise the value of the Council's assets, generating additional revenue or capital income, whilst also creating jobs, building homes and strengthening community facilities.

2.3.3 Cost of living continues to impact households across the country. Melton is concerned about the impact on households and associated financial resilience and wellbeing of our communities. Whilst there are some measures to mitigate the impacts being implemented at a national level, it is important that the Council also considers how it can advise and support households and communities across Melton.

3 Capital Investment Objectives and Areas for Investment

3.1 Priorities for 24/25

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.

Shaping Places Priorities

Ongoing key strategic projects are:

1. **Asset Development Programme-** In April 2020, Cabinet agreed to formalise acceptance of the successful bid; with £500,000 of Business Rate Pool (BRP) funding secured from the LLEP to support proposals for the development of Council owned sites. An asset rationalisation exercise is undertaken to assess the development potential for all key assets in council ownership. The current works focus on the disposal of North Cattle Market site, refurbishment of The Cove Community Centre, Phoenix House and Parkside. Following the initial feasibility and in principle approval from the Integrated Care Board to consider Parkside as the preferred location for the 2nd GP surgery in Melton, a joint steering group has been created to undertake the next level of design and costing to inform the preparation of a business case for consideration by both organisations. The partnership is committed to consider long term capital investment based on a viable business case. A members working group is set up to provide steer on proposals.
2. **Levelling Up Fund** - Melton Borough Council and Rutland County Council have been successful in a joint funding bid and will receive £23 million to invest in the two areas. The joint delivery board is set up to oversee the delivery of £23m investment from the Government to be used to support development of food production units, events space and to refurbish the town's theatre in Melton as well as a Medi-Tech facility and digitalisation of the museum offer in Oakham. Work has commenced to submit a planning application for the Stockyard development at the Cattle market site. The Stockyard will create a multifunctional events space and associated infrastructure, food and drinks production units and spaces where visitors can enjoy our local produce. This will be developed with £10m grant funding and £1m match provided by the Council through capital receipts ring fenced from the disposal of the North Cattle market site.

3. **UK Shared Prosperity Fund (UKSPF) Investment Plan** – Melton’s investment plan for £1.19million to invest in our local communities and economy was submitted to the Government in August 2022 with indicative allocations for three financial years up until the end of March, 2025. A Local Advisory Board (LAB) is set up to provide steer on the proposals and delivery of the UKSPF action plan. The Council launched a business grant scheme in October 2022 totalling £122,600 to support business growth in Melton area. A community grant scheme is also launched with funding available of £138,400 for community and voluntary sector organisations. The other projects being delivered through UKSPF are health-checks for farmers, a regional tourism campaign, a borough wide business support programme, a range of activities supporting town centre improvements and working with partners to support those in the job market into employment. This money will have a positive impact on our local communities and economy.
4. **Delivery of asset rationalisation and planned maintenance** - A schedule of works for PPM is prepared with costs identified for works over the next 5 years. A risk-based approach is taken in prioritising the works and allocation of resources for health and safety and high-risk property safety items. The works include both capital and revenue spend items for 2024-25. The condition surveys and schedule of works will be reviewed on annual basis and resource allocation will be considered as part of the budget process. A range of opportunities for investment in assets are identified through the AMP and PPM works and will be considered on the basis of viable business cases. Following the asset rationalisation exercise, a list of operationally surplus assets will be identified for disposal or appropriation with HRA and Special Expense accounts.
5. **Melton Mowbray Distributor Road (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 continues to support Leicestershire County Council to deliver the much-needed highways infrastructure of Melton Mowbray Distributor Road (MMDR) as well as 4 primary schools, 2 secondary schools and develop over 70 ha of employment sites. In November 2021, the Council entered an infrastructure funding agreement with the County Council to facilitate delivery of the southern section of the road. The works to construct the north and east sections have commenced in Spring 2023. Working with the County Council to secure sufficient funding to deliver the southern section of the MMDR remains a key priority.

6. **Melton Community Health and Wellbeing Partnership** - 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 Community, Health and Wellbeing Partnership (formerly the Helping People Partnership) 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 and embrace new challenges associated with the cost-of-living crisis. It is also well placed to support delivery of local community health and wellbeing plan, aligned to the countywide health and wellbeing strategy. Key objectives and commitments within the Community, Health & Wellbeing Plan include increased integration and collaboration between health and council partners, and the development of options to support a second GP surgery in Melton Mowbray.

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 landowners 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.

Helping People Priorities

The following have been identified as strategic priorities and projects:

1. Deliver the commitments set out in the **Housing Revenue Account Business Plan** and associated **Asset Management Plan** to ensure investment and improving of council homes, including investment in properties, neighbourhoods and assistive technology. Both plans will be reviewed and updated annually to ensure they remain relevant, reflective of local and financial context and incorporate updated stock condition data (20% stock will be surveyed each year).
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 remain safe and meet the Decent Homes Standard – to be profiled and planned in response to the stock condition surveys. The Council will keep a close eye on future changes to the Decent Homes Standard and will update its investment plans accordingly. Further development of the Councils housing and asset management system will enable robust data capture, monitoring and reporting. The Council has reached a level of 95% decent homes, which shows significant improvement because of these plans and delivery arrangements. The Council will also deliver commitments to improve energy efficiency in tenants' homes where possible and will seek external funding to support these ambitions.
3. Provide **new high quality council homes** – An Affordable Housing Development Plan has been agreed and will guide this work, led by the Councils Housing Development Manager. Core principles of the plan include energy efficiency and ambitious standards of design. An assessment of non-housing HRA asset is underway, enabling consideration of future development, reconfiguration or disposal options. The Council's development ambitions are constrained by a tight financial position and borrowing during 24/25 is unlikely to be a viable or prudent solution. The Council will focus in 24/25 on ensuring capital receipts are accessed where possible (for example through disposal) and spent on affordable housing, alongside Right to Buy receipts, section 106 monies and where possible, access to grant funding. Through creative use of monies currently available, a small pipeline of affordable housing acquisitions is underway and a proposal for acquisitions in 24/25 will be presented to Cabinet at the start of the 24/25 financial year
4. **Lifeline Services** support residents to remain safely and independently at home. Customers pay to receive this service. The equipment used to deliver the service needs to be upgraded / digitally enabled in order to transition to the digital switchover (through which all analogue technology will become obsolete) and this work is actively underway but has not yet concluded. Work to transition to digital units has been taking place and must continue in 24/25, ensuring this

concludes ahead of the digital switchover in 2025. A specific project to ensure digital capability of lifeline units in Gretton Court will be required.

5. The Thorpe Road **Cemetery** has an estimated 3–5-year operational viability remaining due to available plot space for burials and cremations. In 2022/23 an assessment of options was undertaken to review the viability of a crematorium for Melton, options to expand capacity at the current cemetery and options to develop a new cemetery. It has been confirmed that a crematorium is not viable based on current projections. Expansion of capacity at the current site was costed into the budget for 2023/24 and delivery of this project will be undertaken in 24/25. An options appraisal regarding future cemetery provision will be discussed with Cabinet in 2024/25. Some minor capital improvements are also proposed, including a new memorial plaque wall which will be funded from the capital receipt generated by the recent sale of Cemetery Lodge.
6. Following a successful procurement exercise, a new **leisure contract** will commence on 1st April 2024, securing the future of both sites for the next ten years. Both facilities will be enhanced through a capital investment fund of £1.735m in 24/25. The capital investment will significantly improve and enhance the current facilities and ensure a sustainable and affordable future for leisure, enabling the council to keep both facilities open to the public. The investment will include redesigning and upgrading some of the facilities. The toilets, showers, changing facilities, signage and branding, and reception areas will all be updated and modernised across both Waterfield and at Melton Sports Village. In addition, solar panels, LED lighting and pool covers, will be installed, reducing energy consumption and carbon emissions across the sites. The redevelopment of Waterfield will include the creation of a brand-new health hub, to provide bespoke support to individuals and small groups, making physical activity and leisure more accessible to all. All fitness equipment will be consolidated onto this site, creating a new multi-level fitness suite, with various zones to allow a range of workouts. The learner pool will be enhanced with underwater graphics making it more attractive to our younger users whilst the health suite will be completely overhauled with a replacement sauna and steam room. In addition, throughout the centre the latest equipment and technology will also be installed. To ensure a financially sustainable leisure offer at Melton Sports Village, a two-court sports hall will remain alongside the introduction of a brand new soft-play facility. The transformation of the site will also include the creation of a brand-new studio for group exercise classes and the development of a multi-purpose room to host a range of well-being and community-based activities. This a positive outcome and welcome addition to the Capital Programme for 24/25, supported also by external grant funding leading to an improved revenue position for the council. The current leisure centre buildings are ageing and despite this investment and improvement, will have a limited lifespan. The need to develop realistic and affordable plans for a **new leisure centre** in the longer term remains, and is a key ambition set out in the new corporate strategy.

7. The **Leicestershire Resources and Waste Strategy 2022-2050** has been developed through a collaborative approach by the Leicestershire Waste Partnership. It has been finalised further to an extensive public consultation and sets out how the Leicestershire Waste Partnership intends to manage municipal waste up until 2050. The strategy contains a range of pledges. Some of the pledges contained within the Leicestershire Resources and Waste Strategy can only be implemented if sufficient ongoing additional funding is provided by Government to cover the costs incurred by both the waste disposal and collection authorities respectively. The government has very recently confirmed that councils will need to introduce food waste collections from April 2026 and has confirmed an allocation of circa £560k capital to fund food waste receptacles and vehicles. Further details are awaited on revenue funding to support implementation.
8. A **Play Equipment** (Play Parks) strategy and cyclical replacement programme is required. This will be developed in 24/25 and presented to Council for approval, as it will require an in-year adjustment to the capital programme. There is a capital reserve in place to support this work.
9. Funding from the UK Shared Prosperity Fund / Rural England Prosperity Fund has enabled a **capital community grants programme** to be delivered in 23/24. Subject to approval, projects will be delivered in 24/25 and will add value to communities across the Borough. As a capital grant funding programme, this will also benefit from sustained improvements through the assets created as a result.
10. The Council has commenced a **Customer Journey Review**, part of which will lead to consideration of future ICT and infrastructure requirements to support improved service delivery aligned to service and wider organisational needs.

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.

1. **ICT Digital Strategy:** Our IT services are provided in partnership with Hinckley and Bosworth BC (The provider) and Blaby District Council. Following a diagnostic review, it has been identified that IT infrastructure across the partnership needs significant investment. This is being assessed and options examined to determine the level of need and strategy for this investment. This will drive the capital needs of this service in the short term. Following which when the core infrastructure is stable the IT and digital strategy and roadmap for the

medium to longer term can be developed including web and front facing digital services.

- 2. 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. Most 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.

3.2 Action Plan

An updated action plan is included in the table below covering progress made over the past 12 months and the targets for the forthcoming year relating to capital programme and strategic development of Council assets:

| Influence | Action | Responsibility | Progress against timescale |
|---|---|--------------------------------------|---|
| Update the General Fund Asset Management Plan (AMP) | <p>The AMP is being prepared. Key actions identified in AMP that have direct impact on the capital strategy include:</p> <ul style="list-style-type: none"> • Planned maintenance programme • Asset management module • Disposals of assets • Appropriation for assets with HRA and SE • Further work to be undertaken for preparing a management plan for assets managed and maintained by environmental maintenance service • Further business cases to be prepared for investment in operational assets identified in the AMP. For examples, car parks, open spaces, cemetery etc. | Director for Growth and Regeneration | <p>Plan will be considered for approval by the Cabinet in February 2024 following consultation with Scrutiny Committee and Assets working group.</p> <p>Delivery of the action plan for AMP according to the approved timescales.</p> |
| Asset Development Programme | Business case for redevelopment of Parkside, Phoenix House, The Cove community centre and other assets to be prepared as per Cabinet and Council approval. | Director for Growth and Regeneration | March 2025 |

| Influence | Action | Responsibility | Progress against timescale |
|---|---|---------------------------------------|---|
| Levelling Up Fund | Delivery of the programme of works as approved by the LUF Executive Board | Director for Growth and Regeneration | March 2025 |
| UKSPF | Delivery of UKSPF action plan as agreed by the Cabinet and the Local Advisory Board (LAB) | Director for Growth and Regeneration | March 2025 |
| ICT Service Delivery | Identify the infrastructure needs required to stabilise the IT service, and allocate the required funding to support implementation | Director for Corporate Services | April 2024 |
| Cyclical vehicle replacement programme (Environmental Maintenance Team) | To develop a costed cyclical vehicle replacement programme. | Director for Housing and Communities | Complete |
| Leisure Procurement | To procure a new leisure contract. | Director for Housing and Communities | Complete (managed as a corporate project) |
| Decent Homes Standard | Work towards meeting Decent Homes Standard across housing stock, through delivery of asset management capital programme. | Director for Housing and Communities. | The Council has reached a level of 95% decent homes. The trajectory to achieve full compliance by 2028 is on track. |

| Influence | Action | Responsibility | Progress against timescale |
|-------------------------------|---|---------------------------------------|---|
| ASB Case Management System | Directly support regulatory requirement via specific ASB case management module for housing. | Director for Housing and Communities. | Complete (managed as a corporate project) |
| CCTV | Modernise CCTV system in the town centre with new cameras, equipment and monitoring arrangements. | Director for Housing and Communities | Complete (managed as a corporate project). This project was also enhanced through external grant funding from the OPCC, leading to additional cameras and the installation of a help point. |
| Housing Asset Management Plan | Deliver commitments set out in the Housing Asset Management Plan | Director for Housing and Communities | Capital programme 23/24 delivered in time / on budget. Considerable progress also made on reconfiguring Gretton Court, with new kitchens and bathroom facilities installed in flats. |

| Influence | Action | Responsibility | Progress against timescale |
|-------------------------------|---|--------------------------------------|---|
| Lifeline (Digital Switchover) | Digital upgrades for Lifeline Customers | Director for Housing and Communities | <p>Private Lifeline – over 70% complete. On track to conclude ahead of digital switchover.</p> <p>IHMS review is key to ensuring council tenants transition to digitally enable lifeline services where appropriate.</p> <p>A specific project to ensure the digital capability of Lifeline units at Gretton Court is required.</p> |

3.3 List of Investments

3.3.1 - Our 5-year capital investment plan incorporates the 2024-2025 Capital Programme and a forecast of capital investment requirement up to 2027-2028, based on our capital investment ambition. It has been prioritised in line with our corporate plan and Treasury Management Strategy 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 may require borrowing, but this would be focused by the outcomes of the asset and transformation development appraisals where it would be expected that 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 YEARS | <u>2024/25</u> | <u>2025/26</u> | <u>2026/27</u> | <u>2027/28</u> | <u>2028/29</u> | <u>Total</u> |
|------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| INVESTMENT PROGRAMME | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | |
| GREAT COUNCIL | 210 | - | - | - | - | 210 |
| PEOPLE | 2,909 | 345 | 345 | 345 | 345 | 4,289 |
| PLACE | 237 | 398 | 50 | 50 | 50 | 785 |
| Total Programme | 3,356 | 743 | 395 | 395 | 395 | 5,284 |

| 5 YEAR FUNDING PROGRAMME | <u>2024/25</u> | <u>2025/26</u> | <u>2026/27</u> | <u>2027/28</u> | <u>2028/29</u> | <u>Total</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | |
| Repairs & Renewal / Sinking Funds | 92 | 162 | - | - | - | 254 |
| Grant Funding | 2,909 | 345 | 345 | 345 | 345 | 4,289 |
| Capital Receipts | 305 | 236 | 50 | 50 | 50 | 691 |
| Regeneration & Innovation Reserve | 50 | - | - | - | - | 50 |
| Total Programme | 2,356 | 743 | 395 | 395 | 395 | 5,284 |

Previously the Council did not have an overly ambitious capital programme but this has been developed in recent years to bring forward several larger schemes such as the UKSPF and levelling up grant funded project, review of the Council's Asset Management Plan along with the upcoming leisure investment. There are ongoing works as outlined in the previous sections of the strategy of further significant items which could significantly impact on the forward capital projections such as the progression of the Asset Development Programme to inform the ongoing management of assets linked to future disposals and developments which may be required to help generate capital receipts to be invested in existing or new assets.

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. The figures in the table below are based on the recently approved business plan and the associated Housing Asset Management Plan strategy document. The plan is a rolling 5-year programme.

| 5 YEAR INVESTMENT PROGRAMME | <u>2023/24</u> | <u>2024/25</u> | <u>2025/26</u> | <u>2026/27</u> | <u>2027/28</u> | <u>Total</u> |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | |
| HRA Funded by | | | | | | |
| Major Repairs Reserve | 2,169 | 3,974 | 2,635 | 1,022 | 450 | 10,250 |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|------------|---------------|
| HRA Capital Receipts | 828 | 294 | 300 | 615 | 312 | 2,349 |
| Development and Regeneration Reserve | 808 | 0 | 0 | 463 | 0 | 1,271 |
| Total Programme | 3,805 | 4,268 | 2,935 | 2,100 | 762 | 13,870 |

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. The Council takes a prudent approach using 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 and playgrounds. Alongside this the Council is highly effective in securing external funding to access grants to minimise the draw and the remaining source of funding in terms of Capital Receipts.

The table below summaries the current and future forecasts for the Capital Receipts reserve and shows there is limited capital receipts available to fund future schemes.

| Financial Year | Receipts | Expenditure | Balance on Reserve |
|----------------|----------|-------------|--------------------|
| 2022-23 | - | - | £720k |
| 2023-24 | £1,500k | £1,409k | £811k |
| 2024-25 | - | £305k | £506k |

There may be the opportunity to generate further capital receipts, but the council only owns a limited amount of sites / assets some of which have been used to support other key projects such as the Asset Development Programme in 2023/24. 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. 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 or through generating sufficient returns on investment to offset the cost of borrowing.

The establishment of a specific Property Repairs / investment fund was established a few years ago to provide greater resilience to deal with unexpected costs relating to the councils' property / assets. The expected balance on this reserve forecast as at the end of 2023/24 financial year is £128k. Following the updated General Fund asset management plan, it is proposed to utilise the balance to support the funding requirements. We will therefore need to consider how to 'top' this to provide resilience in the future – any underspends on the corporate repairs and maintenance budget will be transferred into this reserve.

Alongside this there is a provision of £650k earmarked to support delivery of any future leisure vision projects.

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).

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 2024/25 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 considered when setting the prudential indicators. Both strategies will be presented to Full Council for approval at the annual budget setting meeting in February 2024 where further information can be found.

SPECIAL EXPENSES – MELTON MOWBRAY

As outlined within the Helping People priority area Thorpe Road Cemetery (which falls within the Melton Mowbray Special Expense) is going to need an expansion in capacity due to an estimated operational viability period of 3-5 years remaining. An options appraisal regarding future cemetery provision will be reviewed with Cabinet to develop the future capital programme requests. Initial costs are in the region of £2m which will need to be funded from borrowing and will place pressure on the special expense area to create sufficient headroom in the revenue budget to afford the capital repayments.

The forecast balance on the capital reserve for Special Expenses is £217k at the end of 2024/25 which takes into the one capital scheme for the installation of a commemorative wall.

3.4 Financial Investments

3.4.1 Financial Investments can fall into three categories, as defined by the Statutory Guidance issued under section 15(1)(a) of the [Local Government Act 2003](#): Specified Investments; Loans and Non-specified Investments

3.4.2 Specified and non-specified investments are only likely to be undertaken on either a short, or a long-term basis as part of managing the council's cash flows and are therefore covered by the Treasury Management Strategy rather than here.

3.4.3 Loans may also be used for treasury management purposes, but where they are used in support of service delivery objectives this is covered by the Loans and Guarantees Financial Instruction.

3.5 Non-Financial Investments

3.5.1 For the purposes of this strategy a non-financial investment is a non-financial asset held by the authority primarily or partially to generate a surplus. This might be through an anticipated appreciation in the capital value of the asset, or by way of delivering a regular income stream, or a combination of both. However, in the current financial climate the emphasis is likely to be on assets that generate a regular income stream.

3.5.2 Although the Council remains open minded to consider a range of opportunities the high likelihood is that non-financial investments will involve property assets; however, it will not involve the investment in property assets purely for yield. This could be the Council looking to repurpose some of its portfolio to produce an income stream and meet its corporate objectives, especially in respect of regeneration, affordable housing, and economic development.

3.5.3 In addition, on occasions the Council may choose to purchase land or property for strategic reasons rather than just for a return and therefore expected rates of return may be narrower than a pure investment. This might be to protect existing service provision but will most likely be linked to its community leadership role in accommodating and facilitating regeneration, economic development, and housing growth. This will require well documented business cases and formal decisions.

3.5.4 When considering investments, the Council sets out in its Treasury Management Strategy its credit and counterparty policies which will cover environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level. This Council is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring ESG

(environmental, social and governance) factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement.

4. Funding Capital Investment

4.1 Sources of Funding

There are several potential sources of financing for the capital programme. These can be described as follows:

4.1.1 Grant Funding - often specifically for capital purposes and often from central government, but they may come from, or through, other agencies.

4.1.2 Capital Receipts - receipts arising from the disposal of existing assets are constrained to only be useable for the purposes of funding new assets. Such funds when generated are held in a Capital Receipts Reserve until such time as used. The use of surplus land to deliver additional council priorities such as affordable housing, key worker housing, supported living etc can have an impact on the residual capital receipt value to the Council. These impacts will be reflected in the financial implications of reports and there is close monitoring of the delivery of capital receipts to ensure they are in line with the capital programme funding assumptions.

4.1.3 Developer Contributions - S106 agreements effectively impose a tax on new development to fund infrastructure required because of the development. S106 agreements tend to relate to specific capital investment projects, but where it is more generic, the Council will use this funding to meet its capital investment priorities where these satisfy the conditions of the s106 agreement.

4.1.4 Prudential Borrowing - the Council can borrow to fund its capital expenditure provided that the revenue financing costs of such borrowing are affordable and sustainable. Prudential borrowing will be considered as a source of capital funding in accordance with the Government's guidelines and regarding the [CIPFA Prudential Code for Capital Finance in Local Authorities](#).

4.1.5 Revenue Contributions to Capital - the Council can use its revenue resources to fund its capital expenditure, but obviously this then reduces the funding available for recurrent expenditure.

4.1.6 Use of Earmarked Reserves - essentially this is just a mechanism for deferring the application of one of the sources listed above, e.g. revenue contributions, or capital receipts. A typical example is the use of a Repairs and Renewals Fund.

4.1.7 Leasing - this is a specialised form of borrowing linked directly to the rental of an asset.

4.1.8 RTB Receipts – the receipts from the sales of Right to Buy properties are used to fund further investment on affordable homes with the HRA. Local authorities have 5 years to spend any receipt which can be used to fund up to 40% of the cost of new home.

4.2 Availability and Constraints on Funding

The choice of funding for the capital programme and projects within it will depend upon the overall availability of resources and any constraints applicable to sources:

- Wherever possible external resources such as partner contributions, or grants will be the first preference for funding projects. It is likely that developer or partner contributions will only be available for specific projects. It is also possible that some grant funding is ring-fenced for specific purposes, although this tends not to be the case in recent times.
- Secondly, the Council's own resources (capital receipts and revenue contributions) will be used where available and affordable.
- Prudential borrowing will be the final choice of funding but will only be used where there is a strong business case offering an appropriate rate of return.

The Council will consider arranging borrowing via Public Works Loans Board (PWLB). This borrowing route will be subject to approval by Council before it is undertaken.

The Council will aim to maximise its funding for capital expenditure by bidding for grant funding, disposing of surplus assets to generate capital receipts, seeking to maximise its leverage with partners in respect of joint funding opportunities, etc. Indeed, the ability to respond to the very substantial growth agenda will be heavily dependent upon the ability to attract additional resources. This may come in the form of additional funding from Government, such as [Levelling up Fund bid with Rutland](#) and [UKSPF Fund](#), developer contributions, or working in partnership with other bodies.

5 Risks

5.1 Key Risks

The following summarises the key risks that will impact on the development and delivery of our Capital Strategy:

- **Cost Inflation** – Currently inflation stands at around 4.6% in Oct 2023 (needs updating for 2023) which increases the delivery costs for schemes. Where a scheme was approved in the previous capital programme but is delivered later in the year the delay in timelines can result in large increases in capital requirements.
- **Capital Maintenance** – Our assets will deteriorate if we do not invest sufficient capital maintenance in our existing assets. An assessment of the maintenance needs and provision will be made, and expenditure closely monitored in the meantime for our property and housing assets. The absence of general fund asset management plan increases this risk.
- **Capital Receipts** – A shortfall in the generation of capital receipts would impact on the available investment in the capital programme. Realisation of capital receipts is closely monitored and if there was any shortfall the programme would be reviewed for reductions to future years when looking at future years' capital programmes if alternative funding could not be found. This is a key risk for the council with limited surplus assets from which to generate receipts.
- **Government Capital Grants** – Although the grant funding assumptions in the capital programme are prudent and realistic. Again, any shortfall in grant funding would be adjusted for when reviewing the capital programme each financial year if alternative funding could not be found.
- **Capital Slippage** – If capital expenditure is not profiled accurately then there is the risk of significant underspend against the programme. The profile of expenditure is reviewed and challenged each year to try and get it as accurate as possible. This is much more of a service delivery risk than a financial risk, but there can be financial implications from the delay in the delivery of benefits.
- **Interest Rate Increases** – A prudent assumption is made for the likely interest rates for any borrowing costs in the programme or bids for prudential borrowing. The biggest impact could be on those capital schemes that the Council would like to support but which are only marginally viable, where any rise in interest rates may make a bid against the Prudential Borrowing facility unviable.

5.2 Sector Risk Profile

The Regulator for Social Housing (RSH) published its sector risk profile in November 2023. 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:

| | |
|---------------------------------|--|
| <p>Counterparty risk</p> | <p>Organisations enter into contracts with a wide range of third parties, including funders, insurers, auditors, pension providers, construction and maintenance contractors, care providers and through joint ventures. These can represent effective ways for providers to deliver key services and help deliver value for money. However, entering into contracts with third parties exposes providers to counterparty risks and can reduce the control that providers have over the quality of delivered services. Reliance on a limited number of third parties or sources of finance also exposes providers to concentration and reputational risks.</p> <p>Contractors frequently operate on tight profit margins and high inflation and a tight labour market have made the environment for contractors particularly challenging. Rising interest rates and cost and wage inflation has resulted in company financial distress, with insolvencies in Q2 2023 the highest since 2009.</p> <p>Construction businesses accounted for the largest contribution towards total company insolvencies in England and Wales, and are facing particular pressures from persistent cost inflation, a shortage of skilled staff and a slowdown in housebuilding.</p> <p>Some organisations have outsourced landlord services to contractors as an option to drive down costs. Contracting out services does not contract out landlord responsibility, and it is essential that providers maintain oversight of service delivery; failure to do so risks tenants' safety and the quality of their homes, as well as damaging the provider's reputation.</p> <p>Organisations must conform to all relevant policies, standards, and law when outsourcing to third-party organisations. Due diligence should be undertaken to ensure any potential conflicts are identified that could breach policy, regulation, legislation or cause reputational harm.</p> |
| <p>Diversification:</p> | <p>Diversification into non-traditional business streams can allow organisations to increase their turnover and supplement their rental income and grant funding, enabling them to invest returns back into their core activities. However, diversification introduces additional risks alongside those from social housing</p> |

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|---|---|
| | <p>activity. Failure to appropriately manage these can be detrimental financially and can damage a provider’s reputation. Poorly managed diversification potentially puts social housing at risk.</p> <p>Diversification can include market sales, student housing, portfolios of commercial property, specialist care, and many other activities. These areas of activity may be in line with a provider’s core purpose, but they bring a different profile of risk. Providers forecast that 25% of income over the next five years will be accounted for by activity other than social housing lettings, though this represents a slight reduction when compared with previous years’ forecasts (Financial forecast return (FFR) 5year aggregate of 28% in 2022 and 29% in 2021). Providers have previously undertaken substantial development of homes for market sale to cross-subsidise social activity. However, as the housing market has continued to decline, providers have substantially reduced their exposure to market sales activity, reducing the forecast number of units to be developed for outright sale over the next five years by 25%. However, the sector still expects to supply a large number of homes for sale over the next five years – in particular for shared ownership – and providers will need to manage development and sales risks carefully.</p> |
| <p>Access to labour and skills</p> | <p>Organisations are reliant on access to skilled workers to deliver development, undertake programmes of major repairs and maintenance, comply with health and safety requirements (including building safety), and deliver key services to tenants. The ongoing tight labour market continues to exacerbate skills shortages and could threaten providers’ ability to deliver these programmes and services.</p> <p>There continue to be particular labour shortages in construction, building safety, support, and care. Procuring external auditors is also increasingly difficult and we are seeing cases where external auditors are having to be retained beyond their original term. Sourcing insurance is becoming more expensive, with a limited range of insurers for specific risks such as flooding and tower blocks.</p> <p>Organisations are finding it difficult to recruit procurement professionals due to increased demand and significantly increased consultancy rates. In the face of substantial shortages in staff and high staff turnover, providers offering</p> |

| | |
|---|---|
| | <p>support and care services are frequently reliant on high numbers of agency staff to deliver services, with potentially unsustainable increases in costs and potential for inadequate quality of care. Recruitment and retention challenges are reported by more than nine in ten local authorities, with particular difficulties relating to planning officers.</p> <p>A lack of fire risk assessors, specialist building surveyors, and contractors are making it harder to meet existing and future building safety requirements. The requirement under the Building Safety Act for landlords of high-risk buildings to establish a building safety case before the deadline of April 2024 is creating significant competition for expertise. Changed standards from the government’s upcoming review of the Decent Homes Standard and consultation on MEES are likely to lead to further demand for skilled labour, compound existing issues.</p> <p>Organisations will need to ensure they understand their operating environment and how emerging and longer-term labour and skills shortages impact the delivery of organisational objectives, safety and quality. They will need to have established effective mitigation strategies to ensure that they have the necessary skills and labour to continue to deliver essential services and maintain stock decency.</p> |
| <p>Macroeconomic risk and viability:</p> | <p>The sector is currently facing constrained resources and significantly increased uncertainty from the deteriorating macroeconomic environment. Providers will need to continue to meet their core objectives and deliver in line with their strategic direction, but mitigating the economic, social, and financial impacts of the current environment will test the resilience of the sector. Organisations will inevitably face difficult trade-offs as they consider their priorities.</p> <p>The UK economy has been exposed to a sequence of severe shocks over the last few years. These have resulted in persistently high-cost inflation, a tight labour market, and rising interest rates. These have continued to increase costs for providers while high interest rates have also contributed to an ongoing housing market decline, potentially reducing income from development. While inflation has likely now peaked, the persistence of inflationary pressures remains uncertain. Interest rates have risen markedly in response to high inflation, increasing the cost of floating rate and new debt, while sources</p> |

of debt may need to change if provider ratings fall. These factors, alongside increased stock investment requirements have seen in a further weakening of the sector's financial performance.

In this environment, it is essential that organisations continue to set a clear strategic direction. Delivering their objectives will require difficult trade-offs and will need to consider these carefully to maintain viability while prioritising essential services and safety. Organisations will need to ensure stress testing is undertaken against a range of severe yet feasible scenarios, establishing detailed mitigation plans that are periodically reviewed to ensure these remain robust. Organisations must continue to demonstrate that they provide value for money to a range of stakeholders and need to closely monitor and constructively challenge their organisation's performance to make well informed decisions regarding the effective use of the assets and resources available to them.

6.Capital Governance and Processes

6.1 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, or the outcome from specific public consultation(s).

Business cases are reviewed by the relevant Programme Board who if they approve a project, will then undertake an exercise to prioritise all the projects submitted for the annual budget process. Any capital projects will then need to be approved appropriately or included in the annual budget process for approval by council as part of the budget.

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

6.2 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 are Programme Boards set up which are aligned to directorates and priority themes that oversee the delivery of key projects. SLT will then overseeing project progress by reviewing highlight reports from the boards on a quarterly basis

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 in line with the committee approval process and in accordance with our project appraisal process.

6.3 Consultation and stakeholder engagement

The Governance review identified that greater stakeholder engagement is required by the Council. A Residents Survey took place in 2022. The results of the [Residents Survey 2022](#) are used to inform the Capital Strategy.

Stakeholder and tenant engagement have shaped the priorities set out in the HRA Business Plan and Asset Management Plan. Alongside this, housing experts have reviewed and validated our plans. Tenants and scrutiny committee members have been consulted and have been able to identify priorities, which are included within the plans and associated capital programme.

7. Skills and Knowledge

7.1 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
- Project management
- Contract management

The Council has resources allocated across three Priority areas to support 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 property 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
- Assistant Director for Planning
- Assistant Director for Regeneration & UKSPF Delivery
- Building Surveyor

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

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

Corporate Services Directorate (Supporting Great Council) this team has responsibility for the providing key support and form part of the project delivery teams as well as oversight around the elements of finance, legal and project support and programme management. ICT also resides in this directorate which forms an integral part of an ongoing investment programme with the strategy. Key officers in this area are:

- Director for Corporate Services
- Assistant Director for Resources
- Assistant Director for Governance and Democracy
- Assistant Director for Organisational Development
- ICT Manager (ICT Partnership)
- ICT Programme manager

7.2 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.

7.3 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.

Appendix A – General Fund Five Year Capital Programme

The tables below are indicative figures based on latest available data and subject to Cabinet / Council approvals.

| <u>GENERAL FUND FIVE YEAR CAPITAL PROGRAMME - 2024/25 TO 2028/29</u> | | | | | | | |
|---|-----------------|---------|---------|---------|---------|---------|-------|
| PROJECT | PRIORITY | | | | | | |
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Leisure Improvement Works | PEOPLE | 1,735 | - | - | - | - | 1,735 |
| Leisure Energy Efficiency Works | PEOPLE | 265 | - | - | - | - | 265 |
| DFG's | PEOPLE | 345 | 345 | 345 | 345 | 345 | 1,725 |
| Food Waste vehicles and canisters | PEOPLE | 564 | - | - | - | - | 564 |
| ICT Infrastructure | GREAT COUNCIL | 210 | - | - | - | - | 210 |
| EMT Vehicle/Service Machine Replacement | PLACE | 92 | 88 | - | - | - | 180 |
| Acquisition of an estate management module | PLACE | 50 | - | - | - | - | 50 |
| Dalby Road Car park Resurfacing | PLACE | 15 | - | - | - | - | 15 |
| Upgrade to Councils street lighting | PLACE | 50 | 50 | 50 | 50 | 50 | 250 |
| Country Park Resurfacing | PLACE | 30 | - | - | - | - | 30 |

| | | | | | | | |
|--|-------|--------------|------------|------------|------------|------------|--------------|
| Upgrade to Car parking payment machines / ANPR | PLACE | - | 110 | - | - | - | 110 |
| Installation of EV charging points | PLACE | - | 100 | - | - | - | 100 |
| Car Park CCTV | PLACE | - | 50 | - | - | - | 50 |
| | | 3,356 | 743 | 395 | 395 | 395 | 5,284 |
| FUNDING | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
| Repairs and Renewal Funds / Sinking funds | | 92 | 162 | - | - | - | 254 |
| Grant Funding | | 2,909 | 345 | 345 | 345 | 345 | 4,289 |
| Regeneration and Innovation Reserve | | 50 | - | - | - | - | 50 |
| Capital Receipts | | 305 | 236 | 50 | 50 | 50 | 691 |
| Total Funding | | 3,356 | 743 | 395 | 395 | 395 | 5,284 |
| | | | | | | | |
| CAPITAL PROGRAMME BY PRIORITY | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
| GREAT COUNCIL | | 210 | - | - | - | - | 210 |
| PEOPLE | | 2,909 | 345 | 345 | 345 | 345 | 4,289 |
| PLACE | | 237 | 398 | 50 | 50 | 50 | 785 |
| Total Programme | | 3,356 | 743 | 395 | 395 | 395 | 5,284 |

Appendix B – HRA Five Year Capital Programme

| HRA FIVE YEAR CAPITAL PROGRAMME - 2024/25 TO 2028/29 | | | | | | | |
|---|-----------------|--------------|--------------|--------------|--------------|------------|---------------|
| PROJECT | PRIORITY | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>HOUSING REVENUE ACCOUNT</u> | | | | | | | |
| Aids & Adaptations | Place | 289 | 294 | 300 | 306 | 312 | 1,501 |
| Replacement Kitchens Bathrooms | Place | 1021 | 2750 | 1322 | 45 | 58 | 5,196 |
| Central Heating | Place | 10 | 7 | 236 | 18 | 175 | 446 |
| Replace Exterior Doors & Windows | Place | 167 | 229 | 201 | 0 | 6 | 603 |
| Rewire Council Properties | Place | 92 | 94 | 96 | 98 | 0 | 380 |
| Re-Roofing Works | Place | 0 | 0 | 0 | 0 | 15 | 15 |
| Capitalisation of Housing Inspector Costs | Place | 181 | 185 | 188 | 192 | 196 | 942 |
| Affordable Housing (Use Of RTB Monies) | Place | 1347 | | | 772 | | 2,119 |
| Boiler Replacements | Place | 99 | 273 | 218 | 288 | 0 | 878 |
| Gas Installation | Place | 244 | 249 | 254 | 259 | 0 | 1,006 |
| Void Catch Up Repairs | Place | 115 | 117 | 120 | 122 | 0 | 474 |
| Wilton Court Boiler Upgrade | Place | 65 | 0 | 0 | 0 | 0 | 65 |
| Out-building Door upgrades | Place | 75 | 0 | 0 | 0 | 0 | 75 |
| Garage Improvements | Place | 50 | 0 | 0 | 0 | 0 | 50 |
| Bradgate Laundry Upgrades | Place | 15 | 0 | 0 | 0 | 0 | 15 |
| Gretton Lift upgrades | Place | 35 | 0 | 0 | 0 | 0 | 35 |
| Wilton & Bradgate Lift Upgrades | Place | 0 | 70 | 0 | 0 | 0 | 70 |
| HOUSING REVENUE ACCOUNT TOTAL | | 3,805 | 4,268 | 2,935 | 2,100 | 762 | 13,870 |
| FUNDING | | | | | | | |
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Major Repairs Reserve | | 2,169 | 3,974 | 2,635 | 1,022 | 450 | 10,250 |

| | | | | | | | |
|--------------------------------------|--|--------------|--------------|--------------|--------------|------------|---------------|
| Capital Receipts | | 828 | 294 | 300 | 615 | 312 | 2,349 |
| Development and Regeneration Reserve | | 808 | 0 | 0 | 463 | 0 | 1,271 |
| | | | | | | | |
| Total Funding | | 3,805 | 4,268 | 2,935 | 2,100 | 762 | 13,870 |