

**Oldham Council**

**Capital Strategy**  
**2025/26 to 2029/30**

## Capital Strategy 2025/26 to 2029/30

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# **1 Aims of the Capital Strategy and its Links to the Council's Corporate Plan and the Oldham Plan (Pride, Progress, Partnerships), Creating a Better Place Programme, Medium Term Property Strategy, Housing Strategy and Budget and Policy Framework**

1.1 In accordance with good practice, the Council has traditionally prepared a Capital Strategy, the overarching aim of which has been to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy for 2025/26 to 2029/30 has been prepared to cover a five-year timeframe to allow sufficient opportunity for strategic capital planning. The Council's Medium Term Financial Strategy (MTFS) is aligned with the Capital Strategy as it also covers a five-year timeframe. However, it should be noted that the Government's Autumn Statement 2024 of 30 October 2024, subsequent Policy Statement of 28 November 2024, and the Provisional Local Government Finance Settlement of 18 December 2024 provided some funding certainty up to 2025/26, the end of the current Spending Review period. Recognising that funding estimates beyond 2025/26 are indicative, this Strategy is aligned to the revenue budget and therefore also focuses on 2025/26 in detail, with indicative estimates for 2026/27 and future years.

1.2 The Strategy does however include a longer term vision, which also covers the time frame for 10 years from 2029/30 to 2038/39. This takes a forward look at those projects that are likely to run beyond the initial five year strategy and programme period.

1.3 The format of the Capital Strategy reflects the requirements of both the latest Prudential Code for Capital Finance in Local Authorities and the Treasury Management in Public Services Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The strategy therefore presents:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- An overview of how the associated risk is managed;
- The implications for future financial sustainability.

1.4 The Capital Strategy is therefore prepared to ensure that all Council Members are presented with the overall long-term capital investment policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.5 The Capital Strategy incorporates specific information on historic non-treasury investments. This information is aligned to, but reported separately from the Treasury Management Strategy Statement. This ensures the separation of any historic commercial investment from the core treasury function which operates under the principles of security of capital, liquidity, yield and an ethical approach. To comply with current Public Works Loan Board (PWLB) lending criteria and the latest CIPFA Prudential Code for Capital Finance in Local Authorities, this strategy does not provide for new investment in commercial activities solely to generate additional income.

1.6 CIPFA's current Prudential Code requires the Capital Strategy to demonstrate the concept of proportionality between the treasury operations and the non-treasury operations.

## **CIPFA Prudential and Treasury Management Codes of Practice**

1.7 In response to concerns about high levels of borrowing to fund commercial investment in a small number of local authorities, CIPFA consulted on revisions to the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the

Public Services Code of Practice. After taking account of consultation comments, the final Codes were strengthened by CIPFA as follows:

- Making it clear that borrowing solely for debt-for-yield investment is not permissible under the Prudential Code.
- Ensuring that any commercial investment undertaken is consistent with statutory provisions, proportionate to service and revenue budgets, and consistent with effective treasury management practice.
- Requiring the assessment of the affordability of commercial activity within Local Authorities' capital strategies.
- Ensuring that capital expenditure is consistent with a Local Authority's corporate objectives.
- Introducing new 'affordability' prudential indicators.
- Introducing the liability benchmark to promote good practice and understanding of a Local Authority's debt management position in relation to capital investment.
- Strengthening arrangements for maintaining and monitoring Treasury Management knowledge and skills.
- Adding a new practice statement covering Environmental, Social and Governance Risk Management alongside related proposals to strengthen Treasury Management governance arrangements.

Both the Council's Treasury Management Strategy and Capital Strategy for 2025/26 have incorporated the requirements of the Codes.

#### Co-operative Council

1.8 The 2025/26 to 2029/30 Capital Strategy is influenced by the principles which shape the overarching budget process for 2025/26 and is driven by the ethos of a Co-operative Council. The Council is therefore aiming to take a strategic view in relation to capital investment so that it can be directed to make a real and demonstrable impact on the economy of Oldham by:

- a) Regenerating the borough, building on the established investment programme, by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.
- b) Prioritising regeneration schemes to develop the local economy through for example:
  - Taking forward the vision for Oldham town centre, facilitated by the acquisition and redevelopment of the Spindles and Town Square Shopping Centres;
  - Implementing key strands of the Housing Strategy to improve the housing offer;
  - Improving connectivity across the borough;
  - Supporting job creation and the Get Oldham Working initiative which are key to the economic and social recovery of the borough as it addresses the challenges facing the economy arising from national and international developments.
- c) Using regeneration schemes to drive up Gross Value Added (GVA) and increase the yield from business rates, taking advantage of the Greater Manchester 100% Business Rates Retention Pilot scheme, which commenced across Greater Manchester on 1 April 2017. This has provided additional resources which have

been used to support the revenue budget in previous years and will continue to do so in 2025/26.

1.9 The Council will continue to:

- a) Work with partners as a co-operative and commissioning borough, particularly with regard to the integration of health and social care to take advantage of joint investment opportunities, co-location and the release of surplus assets through initiatives such as One-Public Estate and by taking a Place-Based approach to joint working.
- b) Instigate further transformational change to the delivery of services with and by communities and staff, that maximise involvement and delivery at a more local level, working with residents to reset priorities, manage expectations and promote self-help.
- c) Get the basics right, drive improved business performance with more flexible ICT systems and instigate new delivery models with place-based working.
- d) Work with a resident focus to ensure effective service delivery, achieving social value and maximising the impact of the resources invested.

The Council's Corporate Plan (Ready for the Future) and the Oldham Plan (Pride, Progress, Partnerships)

1.10 Capital investment plans are driven by the Council's Corporate Plan. The Corporate Plan is the Council's key strategic document and outlines the Council's contribution to achieving the vision and outcomes detailed in the Oldham Plan, as well as priority areas of focus and delivery aimed at taking forward our vision of a co-operative future where everyone does their bit to create a confident and ambitious borough. All capital investment proposals will therefore be evaluated in accordance with a range of criteria, a key one of which is the contribution to the delivery of the aims of the Corporate Plan.

1.12 Alongside the development of the Corporate Plan, the Council worked with partners to develop a new Oldham Partnership's vision document (Our Future Oldham). This was endorsed by the Council alongside the Corporate Plan at the Council meeting of 6 November 2024.

1.13 Pride, Progress, Partnerships and the Council's Corporate Plan were developed in parallel to ensure that the Council's priorities over the next five years align as far as possible with our residents' broader vision for the future. This ensures the most effective and efficient use of resources to support the improvement of our residents' lives.

1.14 The Council's Corporate Plan 2024-27: Ready for the Future shows how the Council will build a future where Oldham is recognised for its ambition, inclusiveness and strength. The Plan focuses on three key goals:

- Healthier, Happier Lives;
- A Great Place to Live;
- Green and Growing;

1.15 It also highlights four main focus areas or "pillars":

- Efficiency and Value for Money;
- Capacity Building;
- Digital;
- Prevention and Early Help

- 1.16 Pride, Progress, Partnerships outlines the vision for the future of the borough shared by the Oldham Partnership and informed by the views and priorities of residents. The document reflects changes in the environment since the previous iteration of the Oldham Plan was adopted by the Oldham Partnership in 2022, and to coordinate Oldham's Partnership response with the missions of the new government.
- 1.17 The 2025/26 budget process has been heavily influenced by the aims of the Corporate Plan and Oldham Plan, and the capital strategy has regard to the three key goals and four focus areas above and how these can be delivered. Extensive consultation and resident feedback had shaped the new Plan, with three missions – Healthier, Happier Lives; Great Place to Live; and Green and Growing – each of which were supported by specific deliverables to drive progress and positive change for Oldham's communities.

#### Creating a Better Place Programme

- 1.18 The Creating a Better Place programme (originally approved January 2020) sets out a vision for the borough which is focused on building more homes for the borough's residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go. The strategy aims to deliver these ambitions in ways that contribute to a reduction in carbon emissions in support of the Council's Green New Deal strategy.
- 1.19 The programme envisages delivering an already approved £1.876m of revenue budget savings.
- 1.20 The programme includes several schemes which are already at the delivery stage, including the redevelopment of the Spindles and Town Square Shopping Centres, the refurbishment of the Old Library building on Union Street, Northern Roots, and the refurbishment of the Oldham Coliseum. Other schemes which are being progressed include the Prudential Building, Jubilee Park and Greenway, Metropolitan Place, and George Square.
- 1.21 The Spindles and Town Square Shopping Centre scheme will release other town centre sites for redevelopment including the Civic Centre and Queen Elizabeth Hall complex, as well as Tommyfield Market.
- 1.22 The Council has procured a Private Sector Partner, Muse, to deliver transformation in the Town Centre working with the Council under a joint venture partnership. Muse, in partnership with the Council, will deliver a Town Centre Masterplan/Strategic Regeneration Framework that will cover the existing Tommyfield Market site, former Magistrates Court, former Leisure Centre and the current Civic Centre and Queen Elizabeth Hall, with the potential for other sites to be included. The proposals will be residential-led and are expected to significantly contribute to the Council's target to deliver 2,000 residential units within the Town Centre. During 2024/25 the Princes Gate site was included in the joint venture arrangements. Work is underway to develop the proposals for the Town Centre sites for planning approval and the Council has secured Brownfield Housing Land Grant of £3.15m.
- 1.23 The Council has succeeded in securing an allocation of £24.4m of Towns Fund and £20m of Levelling Up Fund Round 2 grant to support the Creating a Better Place programme. Towns Fund grant is supporting four schemes (the relocation of Tommyfield Market, the provision of flexible workspace within Spindles, the 'Making Space for Live Performance' project, and Northern Roots). The Levelling Up Fund is currently anticipated to deliver the development of the Oldham Greenway including Jubilee Park, works to Metropolitan Place, and a Learning Centre as part of the Northern Roots Project.

- 1.24 The Council will seek to bid for and secure as much external funding as possible for the benefit of the Borough as new funding streams become available.

#### Medium Term Property Strategy

- 1.25 In August 2018, the Council adopted a Medium Term Property Strategy (MTPS). This, at a high level, incorporates a detailed Asset Management Plan for every group of the Council's assets. This plan was agreed at Cabinet for the term 2018 to 2022 and more recently has been incorporated into the Creating a Better Place programme of works, which has its own Corporate Estates theme.
- 1.26 For any organisation such as the Council with a diverse property portfolio, best practice recommends that the Property Strategy describes the general direction that the organisation's property portfolio will take over the next 5-10 years, the approach to be adopted in getting there, and the policies that will be applied to decision making. The refreshed Property Strategy will be presented for consideration in the next financial year to present such a vision and reflect the operational and emerging new business strategy of the organisation.
- 1.27 The implementation of the Creating a Better Place programme and the Corporate Estates Theme is key to the Council achieving both cost savings and a more efficient use of the corporate estate, contributing to the delivery of approved budget reductions.
- 1.28 Given the current economic position and its impact on current and future demand for property, the MTPS is currently under review as part of the Creating a Better Place Corporate Estates theme. The MTPS is also at the centre of numerous inter-dependencies which will also shape future requirements including:
- The One Public Estate programme which seeks to deliver ambitious property-focused programmes in collaboration with Central Government and other public sector partners;
  - Place-Based Working centred around providing services from five districts / hubs within the borough;
  - The rationalisation of the Council's corporate estate and its contribution to the delivery of already approved £1.876m of revenue budget savings between over the period of the Capital strategy.
- 1.29 In addition to facilitating the delivery of revenue budget savings, another objective of the property strategy is to reduce the requirement for backlog maintenance and inform the development of an asset disposals programme to reduce Council holdings of surplus assets and generate additional capital receipts.

#### Housing Strategy

- 1.30 The Housing Strategy was approved in 2019 and was used to align priorities within the Creating a Better Place programme and the Oldham Plan, the GM Spatial Framework (replaced by 'Places for Everyone') and the GM Housing Strategy. It recognises the function that housing plays in supporting health and social care integration and wider public sector reform. A key objective of the housing strategy has been to reset the housing delivery framework that can start to tackle the challenges identified in the evidence based Local Housing Needs Assessment and help meet the housing priorities identified over the short, medium and long term. It is a strategic document to help shape the future service models and seeks to set housing and place shaping at the heart of the Oldham Partnerships collective vision for the borough.

- 1.31 Together with the Housing Strategy, a Strategic Housing Partnership has also been developed whereby the Council works collectively with key stakeholders to achieve the goals identified within the Housing Strategy Delivery plan.
- 1.32 The Housing Strategy:
- Enables the Council to determine priorities in each district or local housing market area as defined by the Local Housing Needs Assessment evidence base;
  - Informs bids for both public and private funding to support the development of new homes in Oldham;
  - Supports the Council and its partners to make more informed People and Place making decisions about the targeting and future integrated commissioning priorities and underpins external funding bids to support investment in existing housing services and stock in Oldham;
  - Enables the Council to focus and develop new policies and ways of working that better fit the operating environment; and
  - Informs the Council to progress its energy conservation work, and to satisfy the Council's obligations under the Home Energy Conservation Act.
- 1.33 Delivery of Housing Strategy objectives has undoubtedly been disrupted by the current economic position. However, in line with the Creating a Better Place programme, work is underway to develop and deliver a programme of town centre housing development currently focused on the identification and assembly of suitable residential development sites, with the Council's Delivery Partner, Muse.
- 1.34 The Council also has a strategic pipeline of development sites across the Borough and work is ongoing to determine the optimal method to develop these sites and deliver additional housing across the Borough.

#### Working with Partners

- 1.35 The Council is a key member of and a driving force in the activities of the Oldham Strategic Estates Group (SEG). The Department of Health initially required all Integrated Care Partnerships (ICP) to establish a SEG within their locality, and whilst the group initially had a 'Health' focus, this has been broadened to encompass a 'One Oldham Estate' approach, closely aligned to the Government's One Public Estate (OPE) principles which in essence seek to maximise the efficient use of the public sector estate by co-location/joint service delivery, releasing surplus land and property to support regeneration, residential development and inward investment. The Oldham SEG has a 'strategic' rather than 'operational' focus and has developed a Strategic Estates Plan (SEP), identifying development of integrated public sector hubs and mapping existing estate and utilisation as key priorities. The SEP is closely aligned to and supports delivery of Oldham's Locality Plan for Health and Social Care.
- 1.36 The Strategic Estates Group (SEG) in Oldham is attended by representatives from a wide range of public sector partners, including the Council, the Oldham Integrated Care Partnership, NHS Property Services Ltd (NHSPS), Greater Manchester Police (GMP), North West Ambulance Service (NWAS), North West Fire Service (NWFS), Community Health Partnerships (CHP), Action Together Oldham, and Pennine Care NHS Foundation Trust. The SEG is supported by the Operational Working Group which functions as the 'delivery arm' to ensure that the SEG remains strategic and One Public Estate focused. It reports to the SEG on key work areas, such as the project pipeline and increasing building utilisation.

## **2 The Principles of the Capital Strategy**

2.1 The Capital Strategy is guided by a series of overarching principles. These principles seek to ensure capital resources are focused on gaining maximum benefit from their use in the context of supporting the delivery of the Council's vision and outcomes as described in the Corporate Plan. The sixteen principles of the Capital Strategy are summarised in paragraphs below and detailed in the rest of the document.

### **Principle 1**

The Capital Investment Programme Board (CIPB) will lead the strategic direction of capital investment for the Council. The CIPB will operate on a commissioning basis. This will enable funding to be better aligned with other partners and funding sources and will link into the principles of the Co-operative Council. In accordance with the commissioning approach being championed within the Council, there continues to be a requirement for links to regional strategies and programmes. As such, the Council must ensure that, when it applies for funds on a regional basis (either individually or as part of a collective bid), it uses its best endeavours to reflect local and regional priorities. The Council must therefore ensure that its Capital Strategy complements the Greater Manchester (GM) Strategy.

### **Principle 2**

All schemes already approved in the Capital Programme or contractually committed, will be supported, and sufficient resources will be provided to enable them to proceed or complete. These schemes are presented in Annex A, Priority Areas for Investment.

### **Principle 3**

A capital project sponsor must be able to demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing. Capital investment proposals which will result in a revenue cost saving or efficiency are encouraged. The Creating a Better Place Project Management Office has a clear role in ensuring that all the key requirements have been addressed at the initiation stage of a project.

### **Principle 4**

All capital investment decisions will be made with reference to Council objectives and regional strategies and, only after a positive contribution to one or more of the objectives has been demonstrated, is a project to be considered for resource allocation.

### **Principle 5**

The CIPB will ensure that the Council can take full advantage of the freedom and flexibility afforded by the removal of ringfencing from most funding allocations to facilitate achievement of the Council's objectives. All un-ringfenced capital funding and other non-specific Council capital resources that are not required to support existing commitments will initially be pooled into one central fund. Regard will, however, be had to obligations around the:

- a) Delivery of the Council's Corporate Plan 2024 to 2027: Ready for the Future and Pride Progress, Partnership, the Oldham Plan agreed by the Oldham Partnership;
- b) Transport agenda and transport grant funding;
- c) Current pressure on Special Educational Needs Provision within Oldham and use of the High Needs Provision Capital Allocation Grant;
- d) Funding of adaptations to homes for the disabled and Disabled Facilities Grant funding;
- e) Social Care funding requirements arising from pooled funding arrangements and Council Provision of Residential Placements;
- f) Development of new policies for Social Care;

- g) Development of new schemes from the opportunities arising from the levelling up agenda; and
- h) Implementation of the Housing Strategy.

**Principle 6**

Un-ringfenced grants received in support of the above initiatives will be passported in full to these eight areas.

**Principle 7**

There will be no ringfencing of capital receipts to specific projects, with the exception of those detailed in section 9.3.15- 9.3.18.

**Principle 8**

For the purposes of preparing the Capital Strategy and Capital Programme for 2025/26, an assumption has been made that all resources that remain unallocated within the 2024/25 programme will be treated as though they are fully committed and carried forward into 2025/26 as a central pool for reallocation to other projects.

**Principle 9**

The Capital expenditure/investment plans of the Authority will be prepared to ensure the Council is able to access PWLB resources, having regard to their lending criteria.

**Principle 10**

As well as using traditional funding mechanisms to finance capital schemes, the Council will also consider the use of alternative financing arrangements and, after appropriate due diligence reviews, develop these options if it is considered financially advantageous in the context of the Council achieving its capital investment objectives, but ensuring compliance with the Prudential and Treasury Management Codes of Practice.

**Principle 11**

Any public/private partnerships and initiatives requiring the deployment of Council capital resources or impacting in any way on the overarching capital investment policies or plans of the Council should be presented for consideration to the CIPB. The resources deployed to support such projects will also be subject to on-going review by the CIPB.

**Principle 12**

There will be a range of grant funding opportunities for which bids must be submitted; possibly at short notice and some of which may have a matched funding requirement. The Council will respond as it considers appropriate to bidding opportunities, ensuring that bids are submitted which align with its objectives and capital investment priorities and that matched funding requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly.

**Principle 13**

The development of new or replacement schools will be led by the Education and Skills Funding Agency (ESFA) and such schools will be created as academies. Mindful of its overarching responsibility for the provision of education, where necessary, the Council will support or enhance ESFA projects using its land assets and/or financial resources.

**Principle 14**

Given the devolution agenda and the collaborative way in which the Council is working with the Greater Manchester Combined Authority (GMCA) and NHS partners, bids to the GMCA, the NHS or other organisations which may have a matched-funding

requirement will be prioritised. Regard will be had during the appraisal process to ensure that the Council's objectives and capital investment priorities are achieved.

### **Principle 15**

As Health and Social Care reform continues to develop and the integration agenda moves forward with the creation of the Greater Manchester Integrated Care Partnership, and at a local level the Oldham Integrated Care Partnership, the Council will prioritise the allocation of capital resources to support cross sector projects including facilities for joint service provision and the co-location of teams, with any consequent asset rationalisation.

### **Principle 16**

The Council will have a range of capital investment priorities. Whilst these are initially determined on an annual basis, it will review and update the priorities in accordance with in-year developments, responding to local and national emerging issues. The priorities for 2025/26 to 2029/30 are set out in Section 3.

## **3 Priority Areas for Investment**

- 3.1 The priority investment areas identified for the 2025/26 to 2029/30 period are covered below. This section highlights potential priority investment areas for 2025/26 onwards. These will be taken forward subject to the availability of resources and the approval of a full business case.
- 3.2 As part of the annual Capital Strategy, there is an ongoing requirement for continued funding of existing programmes of work on:
  - a) Corporate Landlord Function;
  - b) Town Centre Housing Projects;
  - c) Social Care;
- 3.4 In addition to the projects specifically referred to above, the following is a list of further/new projects for which funding may be required, grouped by key strategies underpinning the programme:
  - 1) Creating a Better Place
    - a) Housing
    - b) Town Centre and Borough-Wide Regeneration (incorporating Spindles and Town Square Shopping Centres, wider Town Centre Redevelopment, Coliseum Refurbishment, Northern Roots, Old Library Building, and Other Regeneration schemes including Prudential Building, Jubilee Park and Greenway, Metropolitan Place, and George Square)
    - c) Asset Management (including Medium Term Property Strategy, Surplus Sites and Working with NHS Partners)
    - d) Green Initiatives and Decarbonisation
  - 2) Highways and Transport
    - a) City Region Sustainable Transport Settlement (CRSTS) annual Highways Maintenance allocation;
    - b) GM Mayor's Cycling and Walking Challenge Fund;
    - c) Department for Transport Highway Maintenance Challenge Fund;
    - d) Active Travel Funding
    - e) CRSTS - 'Streets for All' highways schemes

### 3) Other Programmes and Schemes

- a) Housing Initiatives (funded by the Housing Revenue Account Resources) including working with the Councils Private Finance Initiative (PFI) partners to ensure the condition of the housing stock is maintained
- b) Social Care (including the Better Care Fund (Disabled Facilities Grant)) and responding to the Adult Social Care provision and reform agenda and Children's Social Care provision
- c) Fleet Replacement
- d) GM Investment Fund Loans
- e) GM Devolution and Related Initiatives
- f) Opportunities arising from Levelling Up
- g) Capital Grants to Third Sector Organisations
- h) Matched Funding for Grant Bids
- i) Funding for Emerging Priorities

3.5 Included within the Capital Strategy is an unallocated resource to provide funding for emerging priorities. This resource can be deployed to support existing priority schemes or new initiatives. This is considered a prudent approach to allow flexibility, revision and reassessment of priorities. The Capital Strategy also includes an additional unallocated resource to mitigate against the risk of scheme cost increases resulting from supply chain issues in the construction sector and associated inflationary pressures.

3.6 A new allocation for Capitalisation of Interest costs has been provided for over the life of the Capital Strategy.

3.7 The Strategy does however include a longer-term vision, a forward look at those projects that are likely to run beyond the five year strategy and programme period or be initiated subsequently. This covers a timeframe for the 10 years from 2030/31 to 2039/40.

3.8 Further details of the capital priorities can be found in Annex A of this Capital Strategy.

## **4 Affordability, Delivery, and Risk Associated with the Capital Strategy**

4.1 The Prudential Code states that it is the responsibility of the Council's Chief Finance Officer (Director of Finance) to explicitly report on the affordability, deliverability, and the risks associated with this Strategy. These key elements are set out in the following paragraphs.

### **Affordability**

4.2 Affordability is a key criterion when considering whether a project should be approved for inclusion within the Capital Programme. Before any decisions are made, new schemes are underpinned by a business case identifying the expenditure and funding, appraisal of alternative options, and the risks and rewards associated with the scheme. The business case preparation and consideration process is set out fully in Section 10 of this Strategy.

4.3 All projects must also have a clearly identified capital funding source with a definite commitment of financial support if external funding, such as an external grant, is to be used. Also, there must be an identified source of funding to support any on-going revenue costs associated with the use of a capital asset, and these must be built into future years financial projections.

- 4.4 Where borrowing is to be used, the affordability test is the ability to fund interest costs linked to the borrowing, together with the repayment of the borrowing (the MRP charge). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The Prudential Code sets out the requirements for the appropriate governance of such borrowing and the Council's processes comply with the requirements of the Code.

### **Delivery**

- 4.5 The delivery of the individual schemes within the Capital Programme is directly linked to the process of approving the capital scheme. Each scheme has a project sponsor and a project manager responsible for the delivery and the subsequent achievement of the scheme objectives.
- 4.6 Project updates are provided at the regular meetings of CIPB as well as an overarching update on the Capital Programme. This facilitates the review and challenge to the delivery of projects and any changes to both the timing and value of the programme. In addition, an Annual Review of the Capital Programme is completed each year in accordance with the terms of reference of CIPB. The Annual Review process ensures that all schemes are examined to determine whether they are still aligned to corporate priorities. The review also considers the deliverability and progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations. It also considers rephasing of planned expenditure and identifies any unutilised or underutilised resources which can be reallocated to other projects.
- 4.7 The Council's senior officers also have the opportunity to review and challenge project and programme delivery via regular scheduled updates on the changes/re-profiling of expenditure.

### **Risks**

- 4.8 The Council is exposed to a range of risks with regard to the continued affordability and delivery of the Capital Programme as follows:
- Financial risks related to the investment of the Council's assets, cash flow and market volatility;
  - Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy;
  - Inflationary pressures currently being experienced may have adverse financial implications for other approved capital projects that are currently under development. The proposed capital programme includes specific provision to mitigate against the delivery impact of these inflationary pressures;
  - Insurance risks whereby some contractors are either unable or unwilling to put policies and cover levels in place which meet the Council's requirements. Equally, some insurers are broadening the scope of policy exclusions which may mean some construction risks are uninsurable;
  - Credit and counterparty risks related to investments and loans to public and private institutions;
  - Operational risks related to operational exposures within its organisation, its counterparties, partners and commercial interests;
  - Strategic risks related to key initiatives undertaken by the Council such as areas of organisational change deemed necessary to enable the Council to meet its goals and objectives, significant capital schemes, major acquisitions and new ventures;

- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception;
- Environmental and social risks related to the environmental and social impact of the Council's strategy and interests. This is a risk that is becoming more high profile given the recent national and international publicity in relation to climate change;
- Governance risks related to ensuring that prudence and careful consideration are prominent in the Council's decision-making, augmented by quality independent advice and appropriate checks to ensure that the Council has the correct level of oversight, scrutiny and efficiency; and
- Risks arising from a financial commitment by the Council in line with Government policy when that policy is then changed mid-stream leaving the Council to manage the position.

4.9 Managing risk within the Council is an area of significant focus for senior management and Members. The Council adopts an integrated view to the management and qualitative assessment of risk. The Risk Management Strategy and Framework was approved by Cabinet at its meeting on 16 December 2019 and is subject to an annual review. The Strategy and Framework were reviewed in July 2024 and will be reviewed again in April 2025 unless there are any significant changes in legislation which need to be addressed within the Strategy. The Council aims to minimise its exposure to unwanted risks through a range of mitigation strategies that are considered with each service, business case, or capital project.

4.10 However, it is important to recognise that there are significant risks associated with a large Capital Programme and associated borrowing, but these are mitigated as part of the Council's Treasury Management Practices and project management arrangements. As advised above, there is a robust capital business plan process, project management arrangements, and/or project boards in place and all projects are delivered by suitably skilled staff. Appropriate consideration is given to tax planning, cash flow and the operational planning for the use of any asset. Governance is addressed by the establishment of officer/Member working groups with regular and transparent reporting. Due diligence is undertaken on loans and purchases and external advice is sought where necessary.

4.11 There are clear links from the Capital Strategy to the Treasury Management Strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at CIPB, Audit Committee, Cabinet and Council.

4.12 Members recognise that risk increases with any new borrowing and are mindful of this when considering funding arrangements. New borrowing will increase the Council's annual level of fixed interest and repayment costs which are already currently forecast to increase in the coming years and could have a borrowing liability of £526.004m by 2029/30.

### **Concept of Proportionality**

4.13 In line with the Prudential and Treasury Management Codes and guidance from the Ministry for Housing, Communities and Local Government (MHCLG), the Codes require that regard is had to the "concept of proportionality" and the resulting "level of debt and aggregate risk being proportionate to the size of the authority". The Council has identified the following indicator (% of non-financial investment income as a contribution to the net revenue budget) to demonstrate the concept of proportionality as shown in the table below. This income relates to commercial activity which is generating additional income to support the financing of core services.

	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	2029/30 Estimate £'000
<b>Total Net Non-Financial Investment Return</b>	142	142	142	142	142
<b>Net Revenue Budget</b>	321,700	341,346	351,773	364,842	363,968
<b>% of Net Non- Financial Investment Income as a contribution to Net Revenue Budget</b>	0.047%	0.044%	0.042%	0.040%	0.039%

4.14 As can be seen in the table above, the net non-financial investment income as a contribution to the Net Revenue Budget is less than 1% over the life of the Capital Strategy. Within the Capital Strategy 2025/26 to 2029/30 there are no plans to invest in commercial activities solely to generate additional income in line with PWLB lending criteria.

## 5 Knowledge and Skills

5.1 The Capital and Treasury Finance Team has responsibility for both the preparation of and on-going management of the capital and treasury management strategies and Capital Programme. The team is staffed by professionally qualified accountants with extensive Local Government finance experience. Team members attend all relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments. They all follow a Continuous Professional Development Plan (CPD) as part their individual accountancy accreditation. The overall responsibility for capital and treasury activities lies with the Council's Section 151 Officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

5.2 The Council aims to provide training to Members on an annual basis, which is delivered by Council officers and external advisors. This ensures Members have a full understanding of key issues and have the appropriate knowledge and skills to make capital and treasury decisions. Members are updated on developments and any issues of significance throughout the year with information presented to the Audit Committee (responsible for Treasury Management), CIPB (responsible for the Capital Programme) and at Cabinet Member briefings.

5.3 The Council uses Arlingclose, as its external Treasury Management advisors. The Council recognises that it is essential to engage with external providers of Treasury Management services in order to acquire access to specialist skills and resources. The Council also arranges for Treasury Management training to be provided to Members; particularly Audit Committee and Governance, Strategy and Resources Scouting Board Members to facilitate robust scrutiny and decision making.

5.4 When looking at a commercial element within a particular capital scheme, where the primary focus is on public service, housing, regeneration, preventative objectives or treasury management investments, officers from relevant professional disciplines from across the Council are involved in conducting due diligence exercises. Alongside the internal teams, the Council also uses external advisors to complete the due diligence process.

## **6 Treasury Management**

- 6.1 The Council produces a Treasury Management Strategy which is approved by full Council annually as part of the Budget Setting process.
- 6.2 The Capital Strategy and Treasury Management Strategy are closely linked as the Capital Programme determines the borrowing need of the Council, essentially the long term cash flow planning, and ensures that the Council can meet its capital spending obligations. The Capital Strategy is integral to treasury management activities throughout the year in the management of long term cash that may involve arranging long or short term loans, or investing longer term cash flow surpluses. A treasury action is to look for opportunities to restructure any existing borrowing in support of the Councils budget process.
- 6.3 At the end of the five year Capital Strategy period, the Council's debt is forecast to be £526.004m. Included within the Council's CFR under long term liabilities are items such as Private Finance Initiative (PFI) and leasing arrangements. The Council is currently expected to have £188.935m of such liabilities at the start of 2025/26 which is expected to reduce to £160.387m by 2029/30. The Council's Operational Boundary for 2025/26 is forecast to be £551.000mm. The Council's Authorised Borrowing limit will be £571.000m for 2025/26.
- 6.4 The Council is required to set aside 'prudent' provision for debt repayment where borrowing or credit arrangements have been used to finance capital expenditure. This is known as Minimum Revenue Provision (MRP). Over the Capital Strategy period the Council has an MRP provision of £80.374m.
- 6.5 The Audit Committee is responsible for the scrutiny and governance of Treasury Management activity within the Council. It reviews the Treasury Management policy and procedures and all Treasury Management reports.
- 6.6 Throughout the year, the Audit Committee receives regular updates on Treasury Management performance and emerging issues including the Mid-Year Review report which is also reported to full Council. It is also important to note that the Treasury Management function is subject to regular Internal and External Audit reviews. All recent reviews have highlighted the high standard by which the Treasury Management function is delivered.
- 6.7 Further detail can be found in the Treasury Management Strategy 2025/26.

## **7 Long Term Loans**

- 7.1 The Council has the ability, should it choose to exercise its powers, to enter into loan arrangements to support the delivery of strategic corporate priorities.
- 7.2 The Council has chosen to make limited use of its ability to enter into loan arrangements, but in such instances, all loans have been and will be approved in line with the Council's Constitution under the Financial Procedure Rules which ensures that they are prudent and secured by:
- A full independent due diligence process;
  - Ensuring adequate security for the loan is in place;
  - Continuous monitoring of the loans and undertaking review meetings;
  - Ensuring the financial exposure of the Council is proportionate to its size.

- 7.3 The Council may choose to provide assistance to organisations where they have experienced difficulty in securing funds from other sources at affordable interest rates. In order to deliver corporate priorities, loans to third parties may be offered at an interest rate below the market rate. Where the loan is advanced at less than a market interest rate there is an associated loss of investment return which would otherwise have been earned on these funds. The cost to the Council in this respect would be reflected in the Council's Annual Accounts.
- 7.4 Loans are treated as capital expenditure and will therefore be approved as part of the Capital Programme.

## **8 Other Non-Treasury Investments**

- 8.1 For many years prior to 2024/25, the Council has been working in an environment of historically low interest rates and these low investment returns have contributed to pressure on the Council's revenue budget. Combined with the revenue budget shortfall the Council faces and the returns available on cash investments, plus Central Government financial support for local public services having been reduced significantly during the previous decade, the Council has investigated various options for generating enhanced returns.
- 8.2 The Council holds commercial property assets that were acquired prior to the introduction of the revised PWLB lending criteria. These assets are located throughout the borough but were purchased primarily to support local policy objectives including the acquisition of strategic sites to support long term redevelopment and regeneration. The fair value of these assets will be reviewed as part of the Council's Treasury Management activities. Should the valuation be lower than the purchase cost, the Council will report this in the Treasury Management Strategy, along with the consequences of the loss on security of investments and any revenue budget implications. To date, these investment property acquisitions have not resulted in any requirements to be disclosed in the Council's Treasury Management Strategy.
- 8.3 The Council has also invested in the Churches, Charities and Local Authorities (CCLA) property fund. As advised within the Treasury Management Strategy, due to the anticipated fluctuations in price, this is an investment with a minimum time horizon of 5 years. The Council currently holds £13.103m in the property fund and the investment currently generates an income return of approximately 5.13% per annum.
- 8.4 Any further investment in the CCLA or any such longer term investment funds/bonds will only be undertaken after detailed and thorough due diligence process has been completed and having regard to the Treasury Management principles of security of capital, liquidity, yield, and ethical investments.

## **9 Capital Resources to Support Capital Expenditure**

### **9.1 The Utilisation of Capital Resources**

- 9.1.1 The Council's strategy is to ensure that all resources are deployed to support the achievement of the Council's objectives. The Council's Capital Strategy and capital planning arrangements are consistent with, and linked to, the Greater Manchester Strategy but also enhance the Council's own co-operative ethos and other corporate initiatives such as Get Oldham Working, with the devolution of some resources and decision-making to Districts and Neighbourhoods. As such, the aspirations of District Partnerships need to be considered and they will be consulted, as appropriate, over potential bids for any available funding.

9.1.2 As most capital financing can be used for projects at the Council's discretion, the Council is able to address its own priorities and shape the Capital Programme to align with local, regional and national priorities.

## 9.2 **Creation of a Central Pool of Capital Resources**

9.2.1 The Council will ensure that it facilitates the achievement of Council objectives by taking full advantage of freedoms and flexibilities arising from the fact that some resources are un-ringfenced. All un-ringfenced capital funding and other non-specific Council capital resources, that are not required to finance existing commitments, will be pooled into one central fund. This corporate resource will then be managed so that only schemes which can demonstrate alignment with Council priorities will be allocated funds. The Capital Investment Programme Board (CIPB) will review all bids for resources, evaluate them and then make recommendations to:

- a) Cabinet/Council on the prioritisation of resources for the initial 2025/26 to 2029/30 Capital Programme.
- b) The appropriate decision-maker for any subsequent revisions to the Capital Programme.

9.2.2 The Budget Council will make the final decision on the overarching Capital Programme for 2025/26 to 2029/30 and will subsequently delegate (subject to the provisions in the Council's Constitution) the updating of the programme and revisions to projects following review and recommendations by the CIPB.

9.2.3 The CIPB will review the usage of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council.

9.2.4 In determining the size of the central fund, the CIPB will have regard to the following:

- a) Delivery of the Council's Corporate Plan 2024 to 2027 and Pride, Progress Partnership, the Oldham Plan agreed by the Oldham Partnership.
- b) The statutory fourth Greater Manchester Local Transport Plan (GMLTP4). This is part of the long-term transport strategy for Greater Manchester to 2040 with a five-year delivery plan.
- c) The current pressure on primary and secondary school places in certain areas of Oldham and the lack of capacity in the current school stock.
- d) The Disabled Facilities Grant (DFG) is provided to meet the Council's obligation to finance adaptations to the homes of disabled residents and its commitments to wider social care. The Council receives the DFG funding via the Better Care Fund (BCF) and this is included within the pooled funding arrangements with Oldham ICP.
- e) Social Care funding requirements arising from pooled funding arrangements.
- f) Development of new policies arising from the proposed (but currently delayed) reform of Adult Social Care.
- g) The development of opportunities for new schemes arising from the levelling up agenda.
- h) The Council's ambition to deliver its Housing Strategy.
- i) Any resources allocated by Central Government after approval of the Council's 2025/26 to 2029/30 Capital Strategy/Capital Programme.

9.2.5 The Council will therefore passport all of the un-ringfenced resources for schools (via the Education Basic Need grant), transport, Disabled Facilities Grant and housing related funding to support spending in each of these respective areas.

9.2.6 Grant funding allocations notified to the Council also include information regarding capital maintenance funding for Voluntary Aided (VA) schools. This grant is paid directly to the Church of England and Roman Catholic Diocesan authorities and is not therefore included within the Council's Capital Programme. Expenditure undertaken by the Council on VA schools is planned with regard to the availability of contributions from the VA grant and diocesan resources.

### **9.3 Methods of funding capital expenditure**

9.3.1 There are a range of methods for funding capital expenditure. The methods that will be used by the Council are set out as follows:

#### **a) Government Grants and Non-Government Contributions**

9.3.2 Capital resources from Central Government can be split into two categories:

- i) Un-ringfenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding.
- ii) Ring-fenced – resources which are ringfenced to particular areas and therefore have restricted uses.

9.3.3 Where there is a requirement to make an application to an external agency for external funding and, when appropriate, to commit Council resources as matched funding to any bid for external resources, a business case (following the three-stage process described at Section 11) must be presented to the CIPB for approval. This must justify the bid for external resources and any Council matched funding prior to submission of the bid.

#### **b) Prudential Borrowing**

9.3.4 The Council will consider financing capital projects using prudential borrowing where plans are sustainable, affordable and prudent. Full appraisal will take place to ensure that, where appropriate, sufficient revenue returns are generated to cover the cost of borrowing.

9.3.5 Where it is considered that Prudential Borrowing is the appropriate method of funding, but it requires additional revenue financing, the cost will be reflected in the revenue budget planning process.

9.3.6 The Council applied for and received the PWLB Certainty Rate reduction. This entitles the Council to receive a 20 basis points rate reduction on the prevailing rate of PWLB on any borrowing undertaken. The obvious benefit to the Council of the certainty rate is reflected in reduced Treasury Management borrowing costs in relation to any PWLB borrowing undertaken. The Council will look at and assess all sources of external financing with a view to externally borrowing at an appropriate time when the borrowing need is identified. This will include, as appropriate, accessing funding through the UK Infrastructure Bank.

#### **c) Capital Receipts**

9.3.7 Section 9 (1) of the Local Government Act 2003 defines a capital receipt as "a sum received by the authority in respect of the disposal by it of an interest in a capital asset".

9.3.8 Section 9 (2) of the Act states “an asset is a capital asset if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure”.

9.3.9 Capital receipts are usually restricted to use for:

- i) Financing new capital investment.
- ii) Reducing borrowing under the Prudential Framework.
- iii) Paying a premium charged in relation to any amounts borrowed.
- iv) Meeting any liability in respect of credit arrangements.
- v) Meeting disposal costs (not exceeding 4% of the receipt).

9.3.10 In general, capital receipts arising from the disposal of housing assets and for which account is made within the Housing Revenue Account (HRA), are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. In summary the regulations require that receipts arising from:

- i) Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government; and
- ii) All other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying of housing debt.

9.3.11 Such receipts have reduced substantially since the transfer of the housing stock to First Choice Homes Oldham (FCHO).

#### Value Added Tax (VAT) Shelter

9.3.12 As part of the Housing Stock transfer that took place in February 2011 a Value Added Tax (VAT) shelter agreement was entered into with FCHO. This allows FCHO to obtain the same VAT exemption on its capital works as the Council. The shelter only applies for first-time improvements and is expected to cease in 2025/26 (the scheme will end in January 2026). FCHO retained all the benefits in the first four years and the savings thereafter have been split 50:50 with the Council, although the first £6.000m was top sliced to deal with outstanding FCHO asbestos liabilities.

9.3.13 FCHO has provided an indicative notification of the release of resources from the VAT shelter until the end of the scheme. These estimates are included in this current strategy and are being used to support the capital receipts requirement underpinning the overall Capital Programme.

#### Ringfencing of Capital Receipts

9.3.14 Where the sale of an asset leads to the requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and provided for, capital receipts will be available to support the Capital Programme as a corporate resource.

9.3.15 The only area where the Council ringfences capital receipts is in respect of:

#### Flexible Use of Capital Receipts

9.3.16 As part of the Local Government Finance Settlement (LGFS) in March 2016, the Secretary of State for Housing, Communities and Local Government provided Local Authorities with the opportunity to use capital receipts to fund the revenue costs of transformation. It was announced by Government as part of the 2024/25 Provisional

Local Government Finance Settlement (PLGFS) on 18 December 2023 that the current scheme, which currently applies to expenditure and receipts incurred between 1 April 2022 and 31 March 2025, has been extended to 31 March 2030. As previously stated, the Council intends to utilise £2.600m of capital receipts to fund elements of Oldham's transformational agenda in line with the Directive guidance. Therefore in 2025/26 the first £2.600m of qualifying disposals/ receipts will be used to support the revenue budget via the financing of transformational projects.

- 9.3.17 The Flexible Use of Capital Receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.
- 9.3.18 In order to take advantage of this freedom and flexibility, the Council must act in accordance with the statutory guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The Council's Flexible Use of Capital Receipts Strategy is included in Annex D.

#### Availability of Capital Receipts

- 9.3.19 In considering the 2025/26 Capital Programme, and given the position with regard to capital receipts, a prudent approach has been taken with capital receipts assumed in accordance with an anticipated timeline for asset disposal.
- 9.3.21 The Council's objective to rationalise the corporate estate will lead to the marketing of increasing numbers of surplus assets. This is being carefully managed to ensure that the Council receives the best disposal price possible. The Council has specific staffing resources to manage the phased disposal of former schools' sites, residual Housing Market Renewal sites, and other strategic regeneration sites. External expertise has been engaged to supplement in-house teams if required when rationalisation activity increases.
- 9.3.22 The availability of sites for sale could potentially be reduced if there is earmarking of key plots for inclusion in any future Joint Venture opportunities or any regeneration projects throughout the borough. Again, this position will be carefully managed in the context of the overall financial position of the Council and if required the Capital Programme will be amended accordingly.
- 9.3.23 Monitoring of capital receipts is undertaken through an officer sub-group that reports to the CIPB and the Corporate Property Board (CPB); follow-up actions are initiated to address any comments raised. The capital monitoring report is regularly presented to Cabinet and advises Members of receipts compared to target.

#### **d) Revenue Contributions**

- 9.3.24 A service or school may wish to offer some of its revenue budget or reserves to support the financing of a capital project. This is acceptable if it can be demonstrated that this funding is unfettered.

#### **e) Use of Leasing**

- 9.3.25 Some of the assets used by the Council have previously been financed by leasing arrangements. Leasing is considered as a viable option for consideration when financing options are being appraised. Leasing may occasionally offer better value for money than financing through prudential borrowing, however, at the time a decision is required, a full financial appraisal will be undertaken.

## **f) Section 106 Agreements**

9.3.26 In considering an application for planning permission, the Council may seek to secure benefits to an area or restrict uses or activities related to a proposed development through the negotiation of a 'planning obligation' with the developer. Such obligations, authorised by Section 106 of the Town and Country Planning Act 1990, generally either improve the quality of the development, or overcome difficulties which would otherwise result in planning permission being refused. A planning obligation must be:

- i) Necessary to make the development acceptable in planning terms;
- ii) Directly related to the development; and
- iii) Fairly and reasonably related in scale and kind to the development.

9.3.27 As such, therefore, the Council may in some instances receive funds to enable it to undertake works arising from these planning obligations. Examples of the use of planning obligations are the:

- i) Provision of affordable housing.
- ii) Improvement to community facilities - public open space/play areas, educational facilities.
- iii) Improved transport facilities - contributions have previously been used towards Oldham bus station, park and ride and the provision of cycle lanes.
- iv) Public art.
- v) Renewable energy measures.
- vi) Specific measures to mitigate the impact on a local area, for example parking restrictions, landscaping or noise insulation.

9.3.28 The use of any Capital Section 106 funding will be presented to the CIPB for review.

## **g) Community Infrastructure Levy**

9.3.29 The Council has the option to charge a Community Infrastructure Levy (CIL), a planning charge on new development based on legislation that came into force on 6 April 2010. The Council has considered this but at this time there are no plans to progress with CIL in Oldham as the viability of development in Oldham is low, meaning that the CIL charge might deter new development and, in any event, the charge collected would be relatively small because of the low viability. The position will be kept under review as work is taken forward in relation to the Greater Manchester initiatives and the Council's own Local Plan, and it should be noted that the Levelling Up and Regeneration Bill proposes a new Infrastructure Levy that is similar to CIL but would become mandatory once the relevant legislation and regulations are rolled out. More details on the proposed new Infrastructure Levy, and how it would be calculated, is awaited.

## **h) Private Finance Initiative (PFI) and Similar Initiatives**

9.3.30 PFI was a means by which the Council facilitated major new infrastructure projects. Typically, the schemes involve partnerships between the public and private sector to fund public sector infrastructure projects with private capital. Oldham has considerable experience of PFI with two school projects, two housing projects, the Library and

Lifelong Learning Centre, Chadderton Health and Wellbeing Centre, and the Street Lighting Initiative.

#### **i) UK Municipal Bonds Agency Plc**

- 9.3.31 The UK Municipal Bonds Agency (UKMBA) is owned by the Local Government Association (LGA) and managed by PFM; the largest independent financial advisory firm in the United States that works solely for public sector clients. It has extensive experience in the US bonds market and has a wealth of experience of bringing bonds to market for public sector clients. The aim of the agency is to provide Councils with a cost-effective source of long term borrowing (as an alternative to the PWLB) and to introduce sector owned diversity into the Local Government lending market.
- 9.3.32 To date the UKMBA has made one standalone loan outside of the proportional guarantee. The loan was for £350 million for 5-years to March 2025 and was a floating rate and linked to the Sterling Overnight Index Average (SONIA).
- 9.3.33 The Council has invested a total sum of £0.100m in the equity of the UKMBA. The Council will continue to monitor issuances by the UKMBA and cost of funds from the UKMBA as an alternative source of finance with a view to borrowing at an appropriate time if terms are preferential.

### **10. Capital Investment and Disposal Appraisal**

#### **10.1 Capital Investment**

- 10.1.1 All capital investment will be commissioned on the recommendation of the Capital Investment Programme Board (CIPB) which will enable any expenditure and its funding to be better aligned with corporate priorities, partners and funding sources. Partners from both the public and private sector will be at regional and local levels as well as at a district level.
- 10.1.2 Within the Council, a concept for a potential capital project should originate from, or at least be 'owned' by a Senior Responsible Officer (SRO) or Directorate Management Teams (DMTs). The SRO or DMT that 'owns' the concept should prepare or direct the preparation of a Strategic Business Case (SBC) for the proposed project. The Strategic Business Case should be submitted to CIPB for consideration, with the exception of Strategic Regeneration projects where the Corporate Property Board (CPB) first reviews the SBC.
- 10.1.3 If the CIPB (or the CPB in the case of Strategic Regeneration Projects) is satisfied that the proposal meets investment criteria, it will be given approval to progress to Stage 2 of the process – the completion of an Outline Business Case (OBC). The OBC builds on the SBC providing more detailed information including the benefits that could be realised and may include a number of options to deliver the proposed benefits. The OBC will be submitted to the CIPB for consideration, and if it is satisfied with the proposal will give guidance for the development of a preferred option.
- 10.1.4 Stage 3 of the process entails the completion of a Final Business Case (FBC) which will then be submitted to the CIPB for final consideration. Again, building on the OBC, the FBC will contain evidence of a:
- a) Detailed financial analysis of all costs/income including how the project is financially sustainable and that any adverse revenue implications can be dealt with within existing budgets.

- b) Robust delivery plan including how the chosen option delivers the highest impact in achieving the required outcomes with identified key project milestones enabling progress review.
- c) Risk assessment and that appropriate actions to negate these risks have been identified.
- d) Full exit strategy where the project involves a disposal.
- e) Method of procurement that represents value for money.

10.1.5 By adopting the process outlined above, CIPB exercises control over capital projects through the recommendation of approval of:

- a) Strategic Business Cases (SBC) outlining the initial idea or 'concept' for a project.
- b) Outline Business Cases (OBC) which will focus on links to the Corporate Plan and outcomes.
- c) Full Business Cases (FBC) – the final investment decision. This will focus on how the priorities set out in the OBC will be delivered, including:
  - i) Project description
  - ii) Consultation
  - iii) Expenditure and funding including whole life costs and revenue implications
  - iv) Outputs
  - v) Option Appraisal
  - vi) Value for Money
  - vii) Delivery
  - viii) Risk Management
  - ix) Sustainability, forward strategy, and evaluation
  - x) Asset Management
  - xi) Procurement
  - xii) Social Value Impacts
  - xiii) Equality Impact Assessment
  - xiv) Environmental Impact Assessment
  - xv) Contribution to the achievement of corporate initiatives and priorities

10.1.6 Depending on the circumstances of the bid for resources, the CIPB has the discretion to vary the three stage review process and omit one or more of the stages.

#### Gateway Review System

10.1.7 The Council has adopted a gateway review system for all projects within the Capital Programme to promote the following principles:

- a) Carrying out structured reviews at decision checkpoints, defined by boundaries between management stages, to test the project's management and its readiness to progress to the next stage.
- b) Promoting project assurance through the application of a structured project management system.
- c) Informing the governance process.

10.1.8 The Gateway Review structure is designed to be efficient by only requiring detail when it is needed to get to the next stage. It also tries to minimise additional work for team members by using templates that build on each other, reducing the need for reworking.

10.1.9 Gateway Reviews are undertaken by the Creating a Better Place Project Management Office which has been specifically set up to ensure there is a robust review process in place to support the delivery of capital schemes and therefore to support the work of the CIPB.

10.1.10 There are four Gateway Reviews which are initiated at key milestones in the delivery of a programme. Gateways 1 to 3 are undertaken in the approval process for the Strategic, Outline and Final business cases respectively. Gateway 4 is undertaken in support of the delivery and handover phase. It is important to note that the Gateway report is used to advise and inform those responsible for making the investment decision, the decision will not be made by the Gateway Review team.

## 10.2 **Service Challenge & Review, Efficient Use of Assets**

10.2.1 As part of the Creating a Better Place programme, the Council has started an ambitious programme of transformation which includes rationalising the corporate estate as a key driver for change which includes the delivery of revenue budget reductions.

10.2.2 A review of the Council's operational land and property portfolio has been initiated to consider:

- a) The core office estate;
- b) The operational asset base used for district-based service delivery; and
- c) Land.

10.2.3 Through the Creating a Better Place programme, a Corporate Landlord Theme is leading work to further streamline the Council's core office accommodation, working collaboratively with other public sector partners, to exploit collective town centre property ownerships (including the Spindles and Town Square Shopping Centres) to maximise benefits from regeneration, inward investment and improve efficiency in operating costs. This will align with the Government's One Public Estate (OPE) Programme and the work undertaken by the Strategic Estates Group (SEG).

10.2.4 With regard to the review of operational district assets and Place-Based operating arrangements, the Property Team and services continue to work closely alongside wider public and third sector partners to ensure that portfolios are the best fit for purpose and efficient usage is maximised. Work with NHS partners has been accelerated to support the health and social care integrated working agenda.

10.2.5 In taking forward the Creating a Better Place programme, the disposal of land and property assets will be progressed with alignment to corporate objectives and incorporated into the asset rationalisation programme. The review of the Council's existing investment portfolio will be included as part of proposals to further streamline the Council's Asset Estate, in line with required capital receipts targets and approved revenue budget savings.

10.2.6 Governance of the Council's land and property portfolio is provided via the Land and Property Protocols, which form part of the Council's Constitution, providing a strategic governance framework within which land and property transactions are undertaken and the corporate portfolio is managed in a consistent, transparent and appropriate manner. The Protocols are regularly updated to reflect Statutory, Administrative, and Organisational changes, and have recently been revised in line with the recommendations of the Creating a Better Place programme.

10.2.7 The Corporate Property Board oversees the acquisition and disposal of land and property assets and monitors the progress of the asset rationalisation programme and performance of the investment portfolio.

## **11 The Prioritisation of Capital Requirements**

11.1 Once a bid for capital expenditure has passed through the Gateway process and has demonstrated that it aligns with Council priorities and links to the Greater Manchester Strategy (if appropriate) and it has been agreed that it is suitable for capital investment, the strategic requirements will be prioritised using the following criteria (it should be noted that these are not mutually exclusive or in ranking order):

11.2 The criteria examine whether the proposal is:

- a) Related to mandatory, contractual, or legislative service delivery requirements.
- b) Required to achieve the delivery of a specific revenue budget saving within the revenue budget setting process.
- c) Required to support Corporate Plan, Oldham Plan and Service Plan priorities.
- d) Enhancing the Co-operative Council agenda and demonstrating the delivery of wider Social Value.
- e) Supporting the Get Oldham Working priority initiative and demonstrating how it delivers the aim of local jobs for local people.
- f) Supporting integrated working with NHS partners or in support of other GM strategic objectives
- g) Linked into other regional objectives.
- h) Enhancing the asset management/estate management agenda.
- i) Providing general revenue budget reductions or offering the delivery of a more efficient service including promoting the digital transformation of Council services.
- j) Fully-funded from external resources.
- k) Securing substantial external resources for which Council matched funding is required.
- l) Likely to have the highest impact on achieving improved performance against the Council's key objectives.
- m) Making a contribution to carbon reduction targets and renewable energy initiatives as part of the Council's Green New Deal.
- n) Supporting regeneration and economic growth, particularly in the town centre and district centres.

11.3 The results of this process will be presented to Members each year as part of the capital budget setting process, or during the year if projects come forward outside of the normal timeframe.

## **12 The Procurement of Capital Projects**

12.1 The structure of the Council's procurement and strategic relationship management function includes designated Commercial Procurement Managers whose focus is to support all capital projects.

12.2 Integration of revenue and capital financial planning provides opportunities for greater efficiency by selection of the most effective procurement processes to ensure the best commercial solution.

- 12.3 The Council is keen to ensure that Social Value, is demonstrated during the procurement process, linked to the principles of the co-operative agenda. Therefore, this is of key importance in the procurement of all capital schemes. The social value deliverables are actively monitored by the procurement team throughout the life of the contract.
- 12.4 Efficiency gains via procurement will be achieved by:
- a) Efficient procurement processes which are constantly being enhanced with opportunities being developed to ensure the best commercial solution is selected and delivered.
  - b) Expanding the range of providers included within the Council's early payment discount scheme.
  - c) Strategic contract management of the wider supply chain to ensure continuous savings through the life of the project.
  - d) Procuring fixed price contracts with risk/reward terms to incentivise further efficiencies.
  - e) Joining in GM wide procurement initiatives which will provide savings through economies of scale.
  - f) Public Private Partnership (PPP) agreements and other innovative financing arrangements where practicable.
  - g) Leasing/borrowing strategies which will consider the most effective means of acquiring assets.
  - h) The establishment in April 2022 of the Northwest Contractor Framework to facilitate the engagement of construction contractors to deliver Council planned projects. An additional benefit of the framework is the option to generate additional income from other public bodies who wish to use the framework.

### **13 The Measurement of the Performance of the Capital Programme**

- 13.1 The capital commissioning approach that has been adopted by the Council is supported by a strong programme management process in order to ensure a co-ordinated corporate approach to the strategic alignment of investments. The process has been modelled on the PRINCE 2 project management methodology, incorporating risk assessment, risk management, option appraisal, cost v benefit analysis, etc. This ensures that investments are planned, managed and delivered prudently.
- 13.2 The Capital Investment Programme Board (CIPB) has a remit to review the financial performance of the Capital Programme and from month 3, it receives a monthly monitoring report. In addition, financial monitoring reports will be considered by Cabinet at months 3, 6, 8 and 9 together with a capital outturn report. Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports.
- 13.3 The undertaking of the detailed annual review of the Capital Programme provides the opportunity to review all schemes or focus on specific areas of concern.
- 13.4 Where a potential cost overrun has been identified, the CIPB will explore possible solutions in detail. It will also consider any under spending or identified surplus resources which can be added to the central pool of resources. The CIPB may also suggest a reallocation of resources to other projects.
- 13.5 Where there is a delay in the commitment of programme/project resources, the CIPB will require project managers to report the reasons for the delay and consider whether it would be appropriate to recommend the decommissioning of the project and the reallocation of un-ringfenced resources to other projects.

13.6 The performance of the Capital Programme is also measured by the prudential indicators which are reported to Cabinet/Council as part of the Treasury Management Strategy, the Treasury Management quarterly review, and the Annual Review. Some grant regimes, such as the Towns Fund, have separate monitoring arrangements with reports required to be submitted to Government. Where appropriate, CIPB will consider such external reports.

#### **14 The Capital Investment Programme Board**

14.1 The Capital Investment Programme Board (CIPB) is an Advisory Board and is chaired by the Cabinet Member for Finance and Corporate Resources. The lead Chief Officer for CIPB is the Deputy Chief Executive – Place. The Leader of the Council and the Statutory Deputy Leader have a standing invitation to all meetings. The Board is supported by the Director of Finance, and the Director of Education, Skills and Early Years. The Board has a Terms of Reference and detailed reporting performance processes which are included at Annex B.

14.2 All Directorates are represented at Director level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet Member to attend when a project within their portfolio is being discussed.

## Priority Areas for Investment

The priority investment areas identified for the 2025/26 to 2029/30 period covered by this Capital Strategy document are set out below, along with information about longer term projects which form part of the vision for the borough.

The Capital Strategy is split between two distinctive elements, the short to medium term and a longer-term vision. In the short to medium term (years 0 to 5), the primary focus is geared towards the delivery and implementation of a wide range of priority capital schemes. At this stage, the management of potential risks in relation to delivery is significant for the Council. It must be noted that within the short to medium term timeframes, the Capital Programme may be amended with the introduction of urgent, high priority capital schemes. This Capital Strategy allows for flexibility to ensure that new schemes can be included in the programme or existing schemes re-scoped to deal with changing circumstances or to secure new funding opportunities that may arise. This stage also allows the Council to develop plans that contribute to the Council's immediate priority objectives such as the town centre vision, housing and borough wide regeneration as encompassed in the Creating a Better Place programme.

The Council incorporates Capital Programme expenditure and funding projections into its medium term cashflow forecasting, which in turn drives the debt management strategy for the Council. Decisions on debt financing will be influenced by capital projections as well as forecast capital receipts. The Capital Programme and the implications of the programme for MRP and debt financing costs are incorporated into the revenue budget and Medium-Term Financial Strategy.

The breakdown of funding by project area is shown across the current programme to 2029/30 at Annex C. The narrative supporting the programme is set out below together with information about projects which the Council plans to take forward in the following 10 years from 2030/31 to 2039/40.

### **A) Schemes to be Delivered in Years 0-5 (2025/26 to 2029/30)**

Capital schemes for which funding may be required and for which funds could be allocated are set out in the following paragraphs. Each of these schemes would need to be progressed by the submission of detailed and fully costed business cases demonstrating how they achieve corporate priorities. Schemes have been categorised based on current information over a delivery timeframe focused on;

- those that will be initiated and delivered in the five years of this strategy period (2025/26 to 2029/30); and
- those which will progress from 2030/31 to 2039/40 (a further 10 year timeline).

It is probable that due to rephasing, some projects will move from the first to the second delivery period.

## **1 On-going Requirements**

There are requirements for the continued annual funding of existing programmes of work across the current five year programme and beyond. However, as mentioned in paragraph 3.3 in the Strategy, following the outcome of the review of the Capital Strategy 2025/26 to 2029/30, in the financial year 2029/30 no additional funding has been allocated to the programme in the following areas as cumulatively there is deemed to be sufficient unallocated resource to meet existing needs. The principle of continued funding

remains and will be revisited as part of the 2024/25 Capital Strategy. The continuation of funding schemes are summarised as follows:

a) Corporate Major Repairs / Disability Discrimination Act (DDA) Adaptations / Legionella / Health and Safety Projects (Corporate Landlord Function)

Spending in this area aims to enable the Council to secure the integrity of the corporate estate and ensures that the Council is compliant with its statutory obligations under DDA and Health and Safety legislation, including any emerging risks identified with Reinforced Autoclaved Aerated Concrete (RAAC). Provision for such expenditure is included within the Place and Economic Growth – Asset Management (Backlog maintenance and Other) service budget which has an allocation of £7.773m over the remaining programme.

b) School Condition Works

The Council has provided resources to address the most immediate needs (priority 1) for condition works within the school estate. There is however, increasing demand on the school condition works budget to address priority 1 condition issues as well as other preventative works prior to arrival at priority 1 status. Provision is included within the Place and Economic Growth – Asset Management (Education Premises) budget.

c) Childcare Expansion Grant

The Council continues to prioritise this funding to address local provision priorities to meet the capital costs associated with projects that help ensure sufficient places for:

- Children taking up an early years place through the expanded 30-hours entitlement for qualifying working parents (from the term following the child reaching 9-months to the term in which they turn 3-years-old);
- Increasing the supply of wraparound childcare for primary-school aged children.

d) ICT Strategy

The ICT Strategy specifically acknowledges a permanent shift in the workplace landscape. It recognises that the future of service delivery will continue to evolve alongside our relationships with partners, placing greater emphasis on localised solutions. Central to this vision are our digital ambitions, which pivot around the following topics:

Digital Transformation  
Cybersecurity and Data Protection  
Mobile Workforce  
Agile Operations  
Customer Experience Excellence  
Unified Infrastructure  
Digital Collaboration  
Innovation and Emerging Technologies  
Digital Skills Development  
Sustainable IT Practices  
Strategic Partnerships and Collaboration  
Data-Driven Decisions

These topics run as underpinning principles throughout the six core areas for ICT investment which remain as:

Digital & Technology Foundations – the main focus of this area is to further implement the technology necessary to safely and securely exit the Council's on-premise data centre and move legacy Council systems into the MS Azure cloud environment with suitable Disaster Recovery provision. The network is being developed to implement the Great Manchester One Network across the Borough. The demise of the central network and data connectivity hub in the Civic, is under planning to transfer into a new central operational hub (with two primary comms rooms) in Spindles. Key initiatives will reduce the current technical deficit existing in the infrastructure by replacement of systems for sustainability reasons and to enhance cyber resilience. 2024 has seen the start of the council end-user device refresh, where through 2025 up to 3,000 laptops will be replaced to ensure compliance. External drivers such as the move to a fully digital network will be catered for in preparation for the national switch off, of the existing PSTN (Public Switched Telephone Network) at the start of 2027.

Line of Business Systems – the line of business systems investment is necessary for the upgrade and re-platforming of key business systems, moving to cloud provision where appropriate. An allowance is also provisioned to implement Application Platform / Portfolio Management, rationalisation of functionality and decommissioning of systems as appropriate.

Business Support, HR/OD foundations – the implementation of Workforce management automation by further exploiting the facilities offered by the MS Office 365 platform and improvements to employee self-service within Council's HR and payroll system (iTrent), whilst also improving the end-to-end Starter and Leaver processes of the Council to gain improved control of licencing.

Workforce Collaboration and Productivity – enabling staff to work from anywhere via leading edge and fully secure remote connection methods where they can access their stored documentation through cloud storage. This will include migrating the on-premise shared files from the datacentre into SharePoint Online. Cloud-based telephony will support hybrid working principles able to integrate telephony with a CRM system for improved customer service. Implementing more of the collaborative tools included within MS Office 365 will increase the productivity of the workforce and replacement of the current intranet will improve access to information for staff.

Customer Experience – utilisation of the Customer Digital Platform to promote end to end digital services, redesigning / increasing services accessed through the customer portal or through on-line forms will continue to be developed and will promote and utilise customer insights. Implementation of a new website will improve the customer journey and improvements to contact centre capabilities will be explored in conjunction with the customer digital platform.

Business Insight Performance, Strategy & Policy Foundations – Leveraging existing investments to deploy a data analytics platform. This platform builds upon the above themes and principles to create the conditions where Oldham Council can understand the borough better and use this insight to improve services. This will be achieved through the deployment of suitable data analysis tools and Business Intelligence (BI) accelerators for the customer, finance and social care business units, thereby supporting the challenges around Childrens and Adults services.

To finance the investment in the areas highlighted above, provision is included within the Information Technology service budget which has funding available of £3.165m in 2025/26.

e) **Social Care**

This resource will provide additional support for transformational schemes to further health and social care integration, and wider social care initiatives within both Adult's and Children's services, including the provision of in-house residential accommodation. The current budget within the strategy is £7.00m and is available for such investment.

**Online Self-Service Tools for Financial Assessments**

The Client Finance team transferred into the Revenues and Benefits service area of the Finance directorate due to realise efficiencies and provide a resident focused approach which includes maximising Oldham residents' income.

To take this further, it has been identified the need to enable Oldham residents to understand whether they will be required to pay for or contribute towards their care costs. The service is looking into web-based calculators for residents and social workers to conduct indicative financial assessments, which have become standard practice across the majority of local authorities in the UK. Oldham Council does not currently have this in situ. A business case for the procurement of a web-based calculator has already been drafted by the ASC Transformation programme. For the options available in the market, the implementation and first year costs are between £18k - £35k.

By adopting online financial assessments, the aim is to speed up the process and adopt a more proactive stance towards maximising income. Residents will be able to quickly upload key documents, from bank statements to power of attorney details, enabling faster and more efficient decision-making. This change doesn't aim to replace staff, but rather to empower both residents and workers, enhancing collaboration through a more effective and user-friendly platform.

**2 Creating a Better Place**

The Creating a Better Place programme sets out a vision for the borough, which is focused on building more homes for the borough's residents, creating new jobs through town centre regeneration and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go. The strategy aims to deliver these ambitions in ways that contribute to a reduction in carbon emissions in support of the Council's Green New Deal strategy.

Creating a Better Place also encompasses the Housing Strategy and Medium Term Property Strategy. Efficient utilisation and rationalisation of the Council's corporate estate (land and property) is crucial to the delivery of £1.876m of revenue budget savings over the life of the Capital Strategy. The Creating a Better Place programme incorporates a wide range of schemes which are either in train or will be started over the period 2025/26 to 2029/30.

The ambition set out within the Creating a Better Place programme will be supported with significant grant funding initially identified in the Levelling Up the UK White Paper in the form of £24.400m from the Towns Fund (£6.133m over this Capital Strategy period) and £10.750m and £20m from the Levelling Up Fund Round 2, (£18.273m over this Capital Strategy Period). The Council will seek to secure further

funding to support decarbonisation and the Green New Deal strategy from funds such as the Public Sector Decarbonisation Scheme.

Key programme areas and schemes included within the Creating a Better Place programme are set out below.

a) Housing

The aim of the Housing Strategy is to provide a diverse housing offer that is attractive and meets the needs of different sections of the population at different points in their lives and focusses on the dynamics between people, homes and the wider economy. It will ensure developments are brought forward and support the delivery of the required number of new homes within the borough. Investment in building new homes is a priority at key town centre sites and sites around the borough. The Council will seek to bid for and secure as much external funding as possible to achieve the aims of the Housing Strategy, including the potential opportunities from the recently announced Local Authority Housing Fund which provides a new funding stream with the opportunity to construct/acquire a sustainable stock of affordable housing. Funding will also be employed to support the provision of housing stock to reduce pressures the Council is facing in respect of nightly paid temporary accommodation.

b) Town Centre and Borough-Wide Regeneration

The Council has plans for considerable investment in schemes which will support economic regeneration across the borough as well as in the town centre. These schemes are aligned with wider objectives to rationalise the Council's corporate estate and asset management commitments, as well as deliver against its Green New Deal Strategy to achieve carbon neutrality for Council Buildings and Street Lighting (by 2025) and for the borough (by 2030).

Details of key regeneration schemes are set out below.

*Spindles and Town Square Shopping Centres*

The Council acquired the shopping centres in October 2020 as a critical strand of wider plans for the redevelopment of the town centre. The centre's acquisition and redevelopment will facilitate the release other town centre sites for repurposing including the provision of housing and additional green space. These proposals will also help reduce corporate landlord costs and backlog maintenance liabilities which will contribute to the delivery of an already approved £1.876m of revenue budget savings over the Capital Strategy period.

Plans for the redevelopment of the centre include the relocation of Tommyfield Market and the provision of flexible office accommodation which will enable the Council to eventually vacate its existing Civic Centre site. The current retail offer will remain a key element of the centre albeit with better overall use of the space available. The first phase of the development of office space in the Spindles was completed in October 2022 with the second phase completed in the 2024/25 financial year with Council staff now based in the centre with the Phase 3 office development expected to complete before the end of the 2024/25 financial year. The Market, Events and Archives element is expected to complete in summer 2025.

### *Wider Town Centre Redevelopment*

The Council has procured Muse Developments as a Private Sector Partner (PSP) to enter into a Joint Venture with the Council to facilitate the regeneration of several key Town Centre assets including the former Magistrates Court, Civic Centre and Queen Elizabeth Hall, and the former Leisure Centre. The Princes Gate site was included within the project as part of the partnership with the option to include further sites with the agreement of the PSP and Council. The proposals are for a residential-led regeneration of the Town Centre to meet the Council's requirements for housing, however, it is expected that the proposals will also include other mixed uses.

### *Coliseum*

Funding of £6.133m of Towns Fund Grant will help bring the Oldham Coliseum building on Fairbottom Street back into use. The asbestos strip has already been undertaken and Tilbury Douglas have been appointed as the Contractor under a Pre-Construction Services Agreement, with the Coliseum expected to be re-opened in time for the 2025 panto season.

### *Northern Roots*

This scheme is part of a long term vision to create the UK's largest urban farm and eco-park on 160 acres of land at Snipe Clough in the east of the borough. The scheme incorporates a wide range of initiatives including growing hubs, recreation areas and educational facilities. The scheme will also contribute to social prescribing and boost tourism. Towns Fund Grant will support the cost of enabling works and access routes as well as the construction of key infrastructure. The Levelling Up Fund Grant will support the provision of an Education Centre.

### *Old Library Building*

The Old Library building is currently in the process of being refurbished and redeveloped to house the Council's Member services including the Council chamber, provide for an extension of Gallery Oldham, and the provision of publicly accessible spaces to bring the historic building back into use and support plans to vacate the existing Civic Centre.

### *Other Regeneration Schemes*

Other schemes which are progressing through to the construction phase include investigations into a potential Minewater Heat Network. The Council is also developing housing and employment sites at Broadway Green, Hollinwood and Salmon Fields. Housing developments at Southlink and South Chadderton and Kaskenmoor are also being progressed via land sales to developers. All these sites are expected to advance further within the next five years. The Council will take advantage of suitable development opportunities throughout Oldham in order to advance its regeneration objectives.

### c) Asset Management

#### *Creating a Better Place Corporate Estates Theme / Medium Term Property Strategy (MTPS)*

The Creating a Better Place Corporate Estates Theme leads on the development of the Council's plans for property led change and will undertake a review of the MTPS.

The MTPS and its implementation is key to the Council achieving both cost savings and a more efficient use of the corporate estate, contributing to the delivery of an already approved £1.876m of annual revenue budget savings and a reduced requirement for backlog maintenance, as well as informing the development of an asset disposals programme to reduce Council holdings of surplus assets and generate additional capital receipts.

The MTPS is also at the centre of numerous inter-dependencies which will also shape future requirements including:

- The revised Creating a Better Place programme (see above);
- Housing delivery targets set out in the Council's Housing Strategy;
- The One Public Estate programme which seeks to deliver ambitious property-focused programmes in collaboration with central Government and other public sector partners;
- Place-Based Working centred around providing services from five districts / hubs within the borough.

The MTPS seeks to take a holistic review of land and property assets whether Council owned or within the ownership of One Public Estate partners to ensure the Council:

- delivers against ambitions for energy efficiency;
- delivers against ambitions for public buildings to be carbon neutral by 2025;
- ensures scrutiny of its own accommodation to ensure value for money and best utilisation for staff and services; and
- has regard to the views of Ward Members / Portfolio holders.

### *Surplus Sites*

The Council has an extended portfolio of surplus sites scheduled for disposal, for which up front capital funding may be required for enabling and other works to ensure that the land is suitable for redevelopment. The Medium Term Property Strategy and Creating a Better Place programme encompass the disposal of surplus sites to create capital receipts and create a revenue saving. The Capital Strategy 2025/26 to 2029/30 includes an allocation within the Place & Economic Growth – Boroughwide Developments service budget to support this enabling work. It must be noted that the Capital Programme's financing is reliant on the income generated from these disposals in the form of capital receipts.

### *Working with NHS Partners*

The Council is a key member of and a driving force in the activities of the Oldham Strategic Estates Group (SEG). The Integrated Commissioning Partnership (ICP) have established a SEG within their locality, and whilst the group initially had a 'Health' focus, this has been broadened to encompass a 'One Oldham Estate' approach. This is closely aligned to the Government's One Public Estate (OPE) principles which in essence seek to maximise the efficient use of the public sector estate through co-location and joint service delivery, releasing surplus land and property to support regeneration, residential development and inward investment. The Oldham SEG has a 'strategic' rather than 'operational' focus and has developed an SEG Implementation Plan (SEP), identifying development of integrated public sector hubs and mapping existing estate and utilisation as key priorities.

#### d) Green Initiatives and Decarbonisation

In March 2020 the Council adopted the Oldham Green New Deal Strategy, which set carbon neutrality targets for Council Buildings and Street Lighting (by 2025) and for the borough (by 2030). The approach set out by the strategy envisages a mix of Council, private sector and national / third sector grant funding to finance the achievement of these targets, with a focus on stimulating economic activity in the key low carbon and environmental sector to create jobs and training opportunities for Oldham residents and businesses.

Achieving these targets will necessitate the alignment of the Council's Capital Programme with the decarbonisation agenda. This will mean addressing new building projects, the retrofit of existing assets and routine maintenance through the lens of whole-life business cases taking into account the future costs and carbon implications of energy use. Grant funding is available for the decarbonisation of Council buildings. Public Sector Decarbonisation Scheme (PSDS) grant funding has already been obtained for projects at Oldham Leisure Centre, Alexandra Park Depot and the Spindles, but requires match funding from the Council. The Council will continue to identify key assets to be prioritised for decarbonisation works, based on the level of energy use and political priority. Additionally, the Council is still exploring the potential to develop a solar farm opportunity in the Borough now that rises in the wholesale price of electricity have improved the financial model for the scheme.

As well as Council investment in its own assets, the Council is seeking establish a strategic partnership which could help to unlock private sector investment for low carbon energy infrastructure in the borough. An initial assessment of need has identified a potential opportunity for £5.6bn of low carbon energy infrastructure in Oldham borough helping to deliver our 2030 net zero aspirations. Planning for the procurement of a Green New Deal Delivery Partner began in 2024/25 and will continue during the 2025/30 Capital Strategy time scale.

As much social value arising from Council capital projects will be captured for Oldham's Green Technology and Services Sector supply chain businesses via the Social Value Portal, which contains a range of Themes, Outcomes and Measures (TOMs) supporting the creation of local jobs and training opportunities as well as Green New Deal outcomes such as carbon emissions reduction and improvement of greenspace in the borough.

### **3 Highways and Transport**

The Council secures capital funding for investment in maintaining and improving the local transport network from several different sources, including Central Government, which allocates funding largely through the statutory Local Transport Plan (LTP) - the Greater Manchester Transport Strategy 2040 (GM2040) - and it's supporting 5-year Delivery Plan. Most of this funding is brought into the Transport Capital Programme and comprises a mixture of grants.

Updated GM2040 Transport Strategy documents were approved by GMCA in January 2021 including: a refreshed version of the long-term, statutory local transport plan (LTP), the Greater Manchester Transport Strategy 2040; a final version of Our Five-Year Transport Delivery Plan (2021-2026) based on committed resources and intended to be updated annually; and ten new Local Implementation Plans (one for each Greater Manchester Council), providing more detail on the how the GM2040 Transport Strategy will be delivered locally.

The Local Transport Plan is in the process of being updated again, as per government direction, with an updated GM Delivery Plan (2027-32) and Local Implementation Plans to fit in with funding periods now in place.

Government changed the funding arrangements for Mayoral Combined Authorities from 2022/23 and introduced a single City Region Sustainable Transport Settlement (CRSTS) covering the 5-year period 2022/23 to 2026/27.

CRSTS includes new funding for transport as well as existing funding streams that have been consolidated into the 5-year settlement, such as the Highway Maintenance Block, which previously formed the basis of Oldham's Transport Capital Programme, and the Integrated Transport Block.

Government announced in April 2022 that Greater Manchester would receive £1.070bn of funding from the City Region Sustainable Transport Fund for the five-year period 2022/23 to 2026/27. Greater Manchester's bid for this funding included several transport projects put forward by Oldham Council, as well as Transport for Greater Manchester (TfGM) led schemes and Greater Manchester wide programmes which could result in further investment in the borough.

Recent Government budget announcements have outlined an additional £200m for City Region Sustainable Transport Settlements across combined authority areas in 2025/26. Further details on the distribution of this are yet to be clarified.

In addition, there will be a further £100 million investment in cycling and walking infrastructure in 2025-26, to support Local Authorities to install cycling infrastructure and upgrade pavements and paths. Again, further details on the distribution of this are yet to be clarified.

Highways Maintenance funding for Oldham is a guaranteed figure of £3.067m per year between 2022/23 and 2026/27. Whilst Integrated Transport Block grant was distributed to districts on a formula basis for 2022/23, 2023/24 and 2024/25, there is uncertainty as to whether this allocation will continue for the rest of the funding period. This is due to the possibility of Integrated Transport Block being used as part of the funding strategy for Bus Franchising going forwards. This need will be reviewed on an annual basis.

Key elements of Oldham's current Transport Capital Programme include:

- £3.067m Highways Maintenance per year between 2022/23 and 2026/27.
- £4.5m Strategic Maintenance scheme for major maintenance / refurbishment of the Manchester Street Viaduct between 2023/24 – 2026/27 with £2m of maintenance block funding to match fund the scheme in 2025/26 and 2026/27.
- CRSTS funding of £2.43m for Oldham to develop three 'Streets for All' highways schemes to full business case stage for TfGM assurance by the end of 2024/25. The schemes focus on bus priority and active travel at St Mary's Way (£0.9m), the Mumps Corridor (£0.675m) and Beal Valley, Shaw (£0.855m) and will seek assurance for capital funding to deliver schemes between 2025/26 – 2026/27.
- CRSTS funding of £0.8m for Oldham to develop various bus improvement and infrastructure schemes including the Oldham section of the Quality Bus Transit corridor between Rochdale, Royton, Oldham, and Ashton, a Red Route scheme on the A62 between Failsworth and Oldham Town Centre, and other bus pinch points scheme. Capital funding for delivery of these schemes will be sought across 2025/26 and 2026/27.

Securing additional grant funding for investment in transport infrastructure is an Oldham Council priority and an ongoing activity. We are developing further schemes for which we will seek capital funding to deliver when the opportunity arises.

One of such opportunities is the Local Electric Vehicle Infrastructure (LEVI) Fund. The LEVI Fund supports local authorities in England to plan and deliver electric vehicle charging infrastructure for residents without off-street parking. The fund comprises capital funding to support chargepoint delivery. Oldham was included in a Greater Manchester submission to LEVI for a capital allocation totalling £16.158m, which has been secured. Procurement of the Charge Point Operators to deliver this infrastructure is being carried out on GM's behalf by TfGM. Once appointed, delivery and management going forward will be led by districts with funding allocated to Oldham's transport capital programme,

Alongside this LEVI funding GM has included an allocation in the City Region Sustainable Transport Settlement (CRSTS) 2022-2027 to support the delivery of EV charging infrastructure for residents with no off-street parking. This capital allocation equates to £0.690m for Oldham and would need to be spent by 31st March 2027.

There is a need to utilise some of the CRSTS capital allocation on staff resource to increase our capacity and capability to plan and deliver EV infrastructure, utilising the available grant funding.

Other External funding for Sustainable Urban Drainage schemes are currently being explored although there is no further detail released at this time.

External revenue grant funding secured is being used towards this scheme development, as well as the production of a Local Cycling and Walking Infrastructure Plan (LCWIP) for Oldham. This will highlight 'gaps' in active travel infrastructure that we will seek to secure funding to deliver through external funding sources, such as grant funding and developer contributions.

Transport for Greater Manchester is working in partnership with the ten GM Local Authorities to ensure that the city-region is able to maximise its share of any transport funding that becomes available. As part of this process, Oldham Council will continue to make the case for transport investment in Oldham, which could require the Council to provide local funding contributions.

£8.55bn of funding was announced under the previous government as being made available for CRSTS2 for the nine Mayoral Combined Authorities (MCAs) across the country. Subsequently, Greater Manchester were informed of their indicative CRSTS2 funding settlement £2.474bn (over £1bn more than CRSTS1). This allocation has yet to be confirmed by the new government.

In addition, details regarding the Single Settlement allocation for GMCA for 2025/26 are still being defined.

The above gives us a greater level of confidence regarding funding continuity and an ability to manage our infrastructure investment as a longer-term pipeline..

## 4 Other Programmes and Schemes

### a) Housing Initiatives (Funded by the Housing Revenue Account Resources)

Given the reducing HRA balances following the below inflation rent increases applied over the next few years, the Council will need to determine for all future HRA projects, the best source of funding. However, the forecasts in this Capital Strategy reflect a planned use of balances.

There are approved housing capital projects that the Council wishes to implement over the medium to long term to support the delivery of the overall Housing Strategy. Approved capital projects that will specifically rely on use of HRA balances include:

- **Developing the Purchase and Repair and Lease and Repair pilot schemes in the private rented sector** - The Council has launched a pilot empty homes intervention project to work with owners of empty homes to bring their properties back into use through one of the two options available from the Council. A combination of HRA funding and Homes England Grant funding has enabled the development of Purchase & Repair and Lease & Repair options; designed to financially support landlords in bringing their properties back into use. It is envisaged that this scheme will be widened post the pilot phase.
- **Future Housing Purchases** – The Council has made provision to purchase additional housing which will be added to the Council's HRA stock and will provide a new social housing or temporary accommodation options for families within Oldham.

### b) Social Care

The Council has extensive responsibilities to deliver an adequate standard of social care and works closely with National Health Service partners. The Council will address identified needs or opportunities to facilitate enhanced service provision and support income generation in respect of community health and adult social care.

This resource will provide additional support for transformational schemes to further health and social care integration, and wider social care initiatives within both Adult's and Children's services.

#### *Better Care Fund (Disabled Facilities Grants)*

The demand for major property adaptations to premises continues to rise, particularly because of the increase in numbers of elderly clients and also of very disabled children where medical advances have seen improvements in life expectancy. There are also increased requests for adaptations to FCHO properties.

For 2023/24 the full Better Care Fund (BCF) capital allocation in the form of Disabled Facilities Grant (DFG) was £2.556m; a provisional additional allocation of £0.352m has been noticed but has not formally been confirmed. The grant is un-ringfenced but, given the Council's obligation to undertake adaptations, the strategy of the Council is to passport the full grant allocation for the intended purpose; to support housing adaptations (it is important to note that grant is included within the Pooled Fund in place between the Council and Oldham ICP). The 2024/25 funding has been fully utilised and in response to demand has been supplemented with £1.000m of Council Resources, which it is expected will have been substantially allocated by the end of the financial year. At present, the estimated 2025/26 allocation mirrors the

current years initial grant allocation of £2.556m, once again a provisional, yet to be formally confirmed allocation suggests funding will increase to £2.908m for 2026/27.

### *Oldham Total Care*

The Council acquired Chadderton Total Care, a failing care home in the Borough in July 2023, wholly owned by the Council and renamed Oldham Total Care, the capital programme includes £0.350m in 2024/25 to deal with any capital expenditure that may be required as the Council continues to develop the facility.

### **Children's Change Programme including Social Care Demand Management**

In December 2022, the Council's Cabinet approved a report 'Children's Services Investment Proposals', outlined a programme of predominantly revenue investment in Children's Services. The plan included a proposal to increase the capacity for internally owned and managed residential care, accordingly the capital programme currently includes £1.730m across 2024/25 and 2025/26 to fund the creation of three internally managed Children's Social Care residential homes to create a total of eight places for Looked After Children, work is ongoing with the first home expected to be completed in April 2025

Complementary to the above is the Department for Education initiative 'Capital Investment to develop provision for mental health needs and challenging behaviour 2025-29'. The aim of the programme, launched in November 2024 is to increase the number of beds for children with complex mental health needs and challenging behaviour by developing dedicated provision which is able to specifically meet the needs of this cohort of children. The programme will be run as a competitive bidding process with an expectation is that a local authority will partner with the local ICB as part of their bid. The deadline for applications is 28 February 2025, the Authority is currently assessing the viability and feasibility of submitting a bid.

The Foster Carers Adaptation Scheme; capital funding to enable Oldham foster carers to adapt or extend their homes to care for foster children within the borough is currently being developed. The scheme will make grants to eligible foster carers and will be contingent on qualifying carers providing care for a period of ten years, any shortfall will require reimbursement of the funding on a sliding scale depending on the length of time care has been provided.

### c) Fleet Replacement Programme

Resources have been included in the programme to support the Council's vehicle fleet replacement programme. Whilst the service already makes provision for vehicle replacement, it is anticipated that costs are likely to escalate in the medium term as the Council seeks to upgrade its fleet to cleaner, safer vehicles which are electrically powered where possible. This is in line with the city-region's Clean Air Plan and will support the Green New Deal Strategy to achieve carbon neutrality for the borough by 2030

### d) GM Investment Fund Loans

In line with the approved scheme initiated and underwritten by the Greater Manchester Combined Authority (GMCA), the Council may manage loans to qualifying businesses to support the growth ambitions as set out in the GM strategy.

No specific provision has been allowed but will be managed from within available resources as schemes are identified.

e) Greater Manchester Devolution and Related Initiatives

Development under the devolution agenda is an evolving programme of activity at the wider GM level. Working in partnership with the GMCA and other Local Authorities, the Council will seek to support new initiatives related to transport, housing and economic regeneration.

No specific provision has been allowed for such investment but will be managed from within available resources as schemes are identified.

f) Opportunities arising from the Levelling Up Agenda

The levelling up agenda is focussed on a wide range of initiatives and funding streams and mentioned in section 4 of the strategy. The Council will ensure as more information becomes available about funding streams, the opportunities these provide will be maximised to the benefit of Oldham. Bids will be submitted and resources deployed to support the key objectives of the Council's capital strategy, as appropriate.

g) Matched Funding for Grant Bids

The Council is mindful that the Government or the GMCA may introduce a range of grant funding opportunities for which bids must be submitted at short notice, some of which may have a matched funding requirement. The Council's strategy will be to respond as it considers appropriate to bidding arrangements, ensuring that bids are submitted which align with its objectives and that matched funding requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly.

h) Funding for Emerging Priorities

The Capital Programme includes an unallocated resource that can be deployed to support existing priority schemes or new initiatives, including those highlighted above for which no specific allocation exists, for example Greater Manchester Devolution and Related Initiatives and Matched Funding for Grant Bids.

This is considered a prudent approach to allow flexibility, revision and reassessment of understanding priorities. Provision of £3.000m is available in 2025/26 with a further £4.885m available over the rest of the Capital Programme period. In addition, the Capital Strategy also includes an additional unallocated resource to mitigate against the risk of scheme cost increases resulting from the legacy of the pandemic, the war in Ukraine and the current Cost of Living crisis. The construction industry has been impacted by supply chain issues and material shortages which is causing inflationary pressures and extensions of delivery timescales. Corporate provision has been made within the strategy to help the Council manage the impact of these pressures so it can continue to deliver planned schemes.

## **B) Schemes to be delivered over a further 10 years (2030/31 to 2039/40)**

As previously advised, The Council is implementing the Creating a Better Place programme which encompasses ambitious town centre and borough-wide regeneration plans, the MTPS and Housing Strategy. The Council has reviewed and developed these new strategies for meeting the investment need in the much longer term where there is considerable uncertainty and complexity. It has given consideration to:

- economic, social and technological factors that drive regeneration and redevelopment initiatives.
- long term planning issues to deliver new development e.g. the Council's ambition to deliver new homes.
- the HRA business plan which seeks to identify over a long term time horizon the likely financial and housing need provision for the HRA.
- the joint strategic needs assessment for Adult Social Care.
- asset management planning for long-term property need and investment.

The Council therefore has a longer-term vision for capital spending outside the initial five year timeframe.

There is a clear link between long term planning for capital and for treasury management purposes. The Council's current debt portfolio contains loans that mature over the period up to 2074/75. The debt repayment profile will be managed alongside the longer-term expectations for capital expenditure and funding forecasting.

It is challenging to make accurate long-term forecasts. Those forecasts that are made can only be classed as best estimates and will be subject to amendment over time. However, long-term forecasting is valuable in informing strategic plans taking account of the sustainability and affordability of existing and planned investment, which will need to be repaid over future years. It is important that the funding arrangements and financial implications of major capital projects and investments that have been included within the updated strategies mentioned earlier, are understood and planned well in advance.

Most schemes included within the longer-term programme are developments of projects already included within the initial 0 to 5-year timeline. However, each scheme will move through different phases with different objectives and expected outcomes. The schemes below have an implementation period of between 6 to 15 years covering the period 2029/30 to 2038/39 and reflect the next stage of the Creating a Better Place programme.

### **a) Town Centre**

The extent of capital funding required by the Council is currently uncertain and will need to be kept under review. As the programme of work evolves, this may require complementary investment for additional strategic acquisitions, car parking, public realm works or other regeneration developments.

### **b) Borough-Wide Regeneration**

The Council is currently investing in borough-wide regeneration initiatives through housing and employment sites at Broadway Green and Hollinwood. Through the development partnerships and the Creating a Better Place programme, further investment may be required by the Council for larger regeneration at these or other sites.

c) Partnership and Joint Working

The Council will aim to pursue joint partnership working with other public bodies, not for profit organisations and the private sector where it is advantageous to do so and to keep under review existing relationships.

d) Northern Roots

As outlined earlier in the report, this scheme is part of a long term vision to create the UK's largest urban farm and eco-park on 160 acres of land at Snipe Clough in the east of the borough. It will be delivered in phases over an expected 10 year programme.

e) Housing

The Housing Strategy was approved at the Council meeting of 10 July 2019. The Strategy's key objective has been to reset the housing delivery governance framework that can then begin to start to tackle the challenges identified in the evidence based Local Housing Needs Assessment. Clearly, addressing the housing requirements in the borough including the provision of temporary accommodation is a long term initiative. However, business cases will be developed during the current Capital Programme timeframe, to take forward specific initiatives that will then be delivered over an expected 5 year plus horizon.

## Capital Investment Programme Board

### 1 Terms of Reference

- 1.1 The Capital Investment Programme Board (CIPB)'s terms of reference are:
- a) To develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan.
  - b) The recommendation of the overall Capital Strategy and programme to Cabinet and Council.
  - c) Once the overall Strategy and annual programme of expenditure have been approved at Council:
    - i) The consideration and recommendation of approval of the detail of the thematic programmes (e.g. Transport Capital Programme).
    - ii) The consideration and recommendation of approval of any amendments to the annual programme.
    - iii) The recommendation of approval of any new capital projects.
    - iv) The detailed appraisal of projects, taking into consideration the Council's Capital Strategy, priorities and annual aims and objectives.
    - v) The review of potential commercial risk and Value for Money issues on any proposal for the use of capital funding/expenditure.
    - vi) To provide a forum for establishing and providing robust challenge and debate around the Capital Programme.
    - vii) To undertake a detailed annual review of the Capital Programme.
    - viii) The review of the Council's Capital Programme on an on-going basis and to ensure it is achieving the agreed outcomes and consideration of the financial monitoring report.
    - ix) The monitoring of the performance of projects and programmes within the Council's Capital Programme.
- 1.2 The Board oversees capital projects from inception to completion to ensure they are delivered efficiently and effectively and in line with the Council's corporate objectives.
- 1.3 The Board assesses all submissions for capital expenditure prior to them entering into the normal reporting process for approval. The Board therefore makes recommendations to the appropriate decision maker/forum, whether this is a Member under delegated responsibility, Cabinet or Council.

## **2 Membership**

- 2.1 The Chair of the CIPB is the Cabinet Member for Value for Money & Sustainability, The Leader of the Council and the Statutory Deputy Leader have a standing open invitation, other Cabinet Members may be invited to attend CIPB at the discretion of the Chair.

The lead Chief Officer for CIPB is the Deputy Chief Executive – Place.

Officers in attendance at CIPB are:

- a) Deputy Chief Executive – Place
  - b) The Director of Finance
  - c) Senior Members of the Finance Service
  - d) Director of Education, Skills and Early Years
  - e) Representatives from Legal Services, Human Resources, Procurement and Information Technology as required
- 2.2 All Directorates will be represented at Director level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet Member to attend when a project within their portfolio is being discussed.
- 2.3 The CIPB is supported in its work by the Creating a Better Place Project Management Office which oversees the management and governance of strategic regeneration projects.

## **3 Reporting and Performance Process**

- 3.1 CIPB will report to Cabinet, Council and the Governance, Strategy and Resources Scrutiny Board as appropriate.
- 3.2 CIPB has a remit to review the financial performance of the Capital Programme and it will receive a monthly monitoring (highlight) report from month 3 onwards.
- 3.3 The Board meets on a monthly basis to ensure there is a managed approach to:
- a) Discussing and recommending actions in relation to capital issues
  - b) Developing the Capital Strategy
  - c) Developing the Capital Programme for the year ahead
  - d) Considering and approving business cases
  - e) Monitoring performance of individual capital projects and the whole Capital Programme
  - f) Reviewing the availability of capital resources and reprioritisation of resources as required
- 3.4 The CIPB also undertakes an annual review of the Capital Programme which will examine all schemes in the programme to:
- a) Ensure that schemes still meet corporate priorities
  - b) Review their continued relevance in the context of a dynamic and constantly developing organisation
  - c) Consider the progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations and rephasing of planned expenditure
  - d) Identify any unutilised or underutilised resources
  - e) Consider any reallocation of resources

- 3.5 It will also initiate periodic reviews of the whole or part of the programme as required in response to specific issues or concerns.
- 3.6 Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports.
- 3.7 Pooled and locally ring-fenced corporate capital resources will be managed by the CIPB; it will review all bids for resources, evaluate them and then agree on the prioritisation of resources accordingly. A proposal will be prioritised in accordance with criteria set out in Section 12 of the Strategy.
- 3.8 The CIPB will also review any bids for and use of any ringfenced capital resources to ensure alignment with other spending plans and the maximisation of benefits to the Council and achievement of Council objectives.
- 3.9 The CIPB will recommend the use of both un-ringfenced and ringfenced capital resources and also the general prioritisation of resources so that Council, Cabinet and Cabinet Members exercising delegated authority can make a final well-informed decision on the utilisation of resources, as appropriate.

#### **4 Decision Making**

- 4.1 In relation to the approved Capital Programme, CIPB will make recommendations regarding the approval of business cases and virements both within and between approved programme areas. In all such cases, the decision maker is the Cabinet Member for Finance and Corporate Resources, in consultation Deputy Chief Executive – Place and the Director of Finance.

#### **5 Decision Recording**

- 5.1 CIPB will make recommendations on receipt of a formal delegated decision report which will be presented to the appropriate Members/Officers for approval. Key decisions must be included in the published key decision document and all decisions taken (see above) will be recorded on Modern.gov.

#### **6 Governance**

- 6.1 CIPB is the only body within the Council (below Council level) that can recommend new investment in projects within the approved Capital Programme. Therefore, the key role of CIPB is to consider the following milestones which define key stage boundaries that require investment decisions. A project can only progress to the next stage on the recommendation of CIPB.
  - a) Strategic business case – initial concept/scope of a project.
  - b) Outline business case - delivery strategy to design and procurement stage.
  - c) Full business case - design and procurement stage to delivery and handover stage.

#### **7 CIPB Sub-groups**

- 7.1 CIPB may at its discretion convene a sub-group for a specific purpose or purposes. Updates from these meetings are reported to CIPB.

Current sub-groups are:

- a) Corporate Property Board

- b) Education Provision Group
- c) IT Strategic Investment Board

7.2 In addition there is an External Funding Group, chaired by the Assistant Director of Finance. The terms of reference for this group include:

- a) Managing external funding at a strategic level.
- b) Identifying potential grants and additional sources of funding.
- c) Managing the process for applying the funding and approving bids for funding.
- d) Monitoring on-going compliance with grant terms and conditions and assessing any financial risk including grant claw back.
- e) Providing a Regeneration Plan/framework that can enable the Council to proactively react to funding opportunities as they arise whether locally or nationally.
- f) Ensuring there are sufficient personnel to enable the Council to proactively react to funding opportunities as they arise.

## Annex C

Expenditure	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
<b>Community Health and Adult Social Care</b>	<b>4,106</b>	<b>3,000</b>	<b>3,000</b>	-	-
Social Care	1,550	3,000	3,000	-	-
Disabled Facilities Grant	2,556	-	-	-	-
<b>Children's Services</b>	<b>10,482</b>	<b>3,151</b>	<b>2,000</b>	-	-
Children, Young People and Families	1,000	-	-	-	-
Schools - General	6,473	3,151	2,000	-	-
Schools - Secondary	3,009	-	-	-	-
<b>Communities</b>	<b>338</b>	-	-	-	-
Local Investment Fund	338	-	-	-	-
<b>Place and Economic Growth</b>	<b>80,617</b>	<b>14,998</b>	<b>15,502</b>	<b>2,055</b>	-
Asset Management - Backlog Maintenance	2,670	2,343	1,485	1,275	-
Asset Management - Education Premises	1,148	944	1,858	780	-
Boroughwide Developments	28,177	3,692	2,359	-	-
Environment Services	121	1,116	100	-	-
Housing	5,677	-	-	-	-
Strategic Acquisitions	1,647	-	-	-	-
Town Centre Developments	27,593	-	9,700	-	-
Transport Services	13,409	4,903	-	-	-
Fleet Management	175	2,000	-	-	-
<b>Housing Revenue Account (HRA)</b>	<b>3,193</b>	<b>206</b>	<b>210</b>	<b>215</b>	<b>219</b>
Housing Revenue Account (HRA)	3,193	206	210	215	219
<b>Corporate / Information Technology (IT)</b>	<b>3,165</b>	<b>3,123</b>	<b>2,595</b>	<b>1,877</b>	-
Information Technology	3,165	3,123	2,595	1,877	-
<b>Capital, Treasury &amp; Technical Accounting</b>	<b>3,600</b>	<b>2,628</b>	<b>4,373</b>	<b>2,500</b>	<b>5,000</b>
Strategic Investments		128			
Flexible Use of Capital Receipts	2,600	2,000	2,000	2,000	2,000
Capitalised Interest	1,000	500	500	500	500
Provision for Inflationary Pressures			1,873		2,500
<b>Capital General</b>	<b>3,000</b>	<b>2,885</b>	<b>2,000</b>	-	-
Funding for Emerging Priorities	3,000	2,885	2,000	-	-
<b>Budget Expenditure Total</b>	<b>108,501</b>	<b>29,991</b>	<b>29,680</b>	<b>6,647</b>	<b>5,219</b>

(subject to rounding – tolerance +/- £1k)

<b>Resources Available</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>2029/30 £000</b>
<b>Ringfenced Grants</b>	<b>(52,250)</b>	<b>(3,962)</b>	<b>(7,700)</b>	<b>-</b>	<b>-</b>
Levelling Up Green Technology	(15,263)	(2,500)	-	-	-
Towns Fund	(10,235)	-	-	-	-
Green Heat Network Fund	-	-	(7,700)	-	-
High Needs Provision Capital Allocation (HNPCA)	(5,982)	(1,389)	-	-	-
Brownfield Infrastructure and Land Funding Grant	(5,552)	-	-	-	-
City Region Sustainable Transport Settlement (CR)	(5,090)	-	-	-	-
Future High Streets Fund	(5,000)	-	-	-	-
Mayor's Cycling and Walking Challenge Fund	(4,404)	(72)	-	-	-
Challenge Funding	(600)	-	-	-	-
Local Growth and Reform 2 Grant	(100)	-	-	-	-
Levelling Up Parks Fund	(13)	-	-	-	-
Healthy Pupil Capital Fund (HPCF)	(12)	-	-	-	-
<b>Un-ringfenced Grants</b>	<b>(8,449)</b>	<b>(5,775)</b>	<b>(1,858)</b>	<b>(780)</b>	<b>-</b>
LTP Highway Maintenance Grant	(2,691)	(4,831)	-	-	-
School Condition Allocation	(1,148)	(944)	(1,858)	(780)	-
Better Care Fund (Disabled Facilities Grant)	(2,556)	-	-	-	-
Basic Need Capital Grant	(2,054)	-	-	-	-
<b>Other resources - Other</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Contribution from 3rd Parties	(100)	-	-	-	-
<b>Other resources – Capital Receipts</b>	<b>(4,653)</b>	<b>(2,567)</b>	<b>(2,252)</b>	<b>(2,309)</b>	<b>(2,000)</b>
Agreed Council Resources	(2,053)	(567)	(252)	(309)	-
Flexible Use of Capital Receipts	(2,600)	(2,000)	(2,000)	(2,000)	(2,000)
<b>Other resources - Prudential Borrowing</b>	<b>(39,855)</b>	<b>(17,480)</b>	<b>(17,660)</b>	<b>(3,343)</b>	<b>(3,000)</b>
Prudential Borrowing	(39,855)	(17,480)	(17,660)	(3,343)	(3,000)
<b>Revenue Contribution - Housing Revenue Account (HRA)</b>	<b>(3,193)</b>	<b>(206)</b>	<b>(210)</b>	<b>(215)</b>	<b>(219)</b>
Revenue Contribution to Capital Outlay - HRA	(3,193)	(206)	(210)	(215)	(219)
<b>Resources Total</b>	<b>(108,501)</b>	<b>(29,991)</b>	<b>(29,680)</b>	<b>(6,647)</b>	<b>(5,219)</b>

subject to rounding – tolerance +/- £1k)

## **Flexible Use of Capital Receipts Strategy**

### **Introduction**

In March 2016, the former Secretary of State for Housing, Communities and Local Government, now the Department for Levelling Up, Housing & Communities (DLUHC) issued Statutory Guidance that permitted Local Authorities to use capital receipts to fund the revenue costs of transformation for the period 1 April 2016 to 31 March 2019. This flexibility has been extended several times, most recently to 31 March 2030.

This Capital Strategy and the MTFS of the Council has been prepared on the basis on the continued use of the Flexible Use of Capital Receipts over the life of the 2025/30 Capital Strategy.

### **Statutory Guidance**

The Statutory Guidance and supporting 'informal commentary' published in March 2016, and updated in August 2022, states that "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual Local Authorities to decide whether or not a project qualifies for the flexibility".

### **The Council's Strategy**

The Council intends to make use of the flexibility in the use of capital receipts for the financial year 2025/26 and over the life of the Capital Strategy.

The Council can only use capital receipts to finance Qualifying Expenditure as defined in this strategy (see Table 1) from the disposal of property, plant and equipment assets received in the year in which this flexibility is offered. The Council will not utilise capital receipts generated on or before 31 March 2025 to finance Qualifying Expenditure.

The Government direction states that the Council cannot borrow to finance the revenue costs of service reform and the Council will comply with this requirement.

This Strategy outlines the projects which plan to make use of the capital receipt flexibility and provides details of the expected savings/service transformation on a scheme by scheme basis. The Strategy can be replaced at any point during the financial year with a revised Strategy outlining an up to date position.

Council approval for the use of this flexibility is required on at least an annual basis, with plans published on the Council's website and notification of planned use sent to the MHCLG.

### **Summary of planned receipts**

The Council's Capital Strategy and Capital Programme 2025/26 to 2029/30 includes £2.600m in capital receipts specifically for this purpose in 2025/26 with a further £2.000m in subsequent years of the programme. The first call on new capital receipts received in 2025/26 (£2.600m) will fund qualifying revenue expenditure as detailed within the Flexible Use of Capital Receipts Strategy.

## Summary of planned use and savings

It is intended that in 2025/26 capital receipts of £2.600m will fund the following transformational projects/expenditure as set out in Table 1. Transformational projects/expenditure for future years will be determined as part of the budget setting process for future financial years.

**Table 1 – Planned Qualifying Expenditure**

Scheme Description	Qualifying Expenditure	£000 2025/26
Creating a Better Place - Asset Rationalisation	Expenditure in relation to developing and progressing the disposal strategy/asset rationalisation strategy to streamline the Council's (and partners' estates) in line with the principles of One Public Estate.	750
Creating a Better Place - Major Projects/Regeneration	Expenditure in relation to developing major Regeneration and Housing scheme proposals and bids for capital funding opportunities including funding for feasibility, options appraisals and the early development of business cases.	750
Transformation Programme and Project resources to support the delivery of the transformation agenda	A specialist team to wholly support and facilitate the delivery of the Council's Transformational Programme. This team will ensure that the efficiencies and savings that are anticipated within the Medium-Term Financial Strategy (MTFS) are achieved and support the development of the on-going programme of Council wide change.	693
ICT	The use of transformational funds to support Research and Development within ICT that drives a more digital approach to deliver efficiencies and support budget reductions in services. The ICT Service will explore new technology and undertake Proof of Concepts before rolling out new developments within the organisation.	407
<b>Total Flexible Use of Capital Receipts Relied upon to support the revenue budget in 2025/26</b>		<b>2,600</b>