Report to Governance, Strategy & Resources Scrutiny Board

Capital Strategy and Capital Programme 2026/27 to 2030/31 and Minimum Revenue Provision (MRP) Policy Statement

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader & Cabinet Member for Finance, Corporate Services and Sustainability

Officer Contact: Lee Walsh, Director of Finance

Report Authors: James Postle, Senior Finance Manager
Paula Buckley, Finance Manager

28 January 2026

Reason for Decision

To set out the Capital Strategy for 2026/27 to 2030/31 and thereby the proposed 2026/27 capital programme, including identified capital investment priorities, together with the indicative capital programme for 2027/28 to 2030/31, having regard to the resources available over the life of the programme.

Executive Summary

The Capital Strategy

The Council's Capital Strategy and capital programme are set over a five-year timeframe. The proposed Capital Strategy and programme for 2026/27 to 2030/31 takes the essential elements of the 2025/26 to 2029/30 and previous years' strategies and programmes and moves them forward in the context of the financial and political environment for 2026/27.

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 2031/32 to 2040/41.

The format of the Capital Strategy reflects the requirements of the Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Capital Strategy is presented at Appendix 1.

Annex C of Appendix 1 sets out the proposed capital expenditure and financing for the period covered by the Capital Strategy, 2026/27 to 2030/31.

The Council has set out its capital programme for the period 2026/27 to 2030/31 based on the principles of the Capital Strategy. The Capital Programme and Capital Strategy are influenced by the level of resources available. The level of prudential borrowing included reflects the financing available in the revenue budget, capital receipts align with forecasts, and grant funding and other contributions are based on already notified allocations or best estimates.

The capital programme for the period 2026/27 to 2030/31 includes additional Transport schemes funded by Grant £16.630m, additional Council funded investment in Transport specifically for Potholes (£2.000m) and additional resource for Emerging Priorities (£1.592m), both funded by Prudential Borrowing and an increase in The Use of Flexible Capital Receipts of £2.600m (£0.600m per year) until its expiry of the direction in 2030, financed from Capital Receipts.

The revised capital programme includes proposed expenditure for 2026/27 of £99.556m, of which the largest category is £72.953m of expenditure on regeneration, schools, transport and infrastructure projects within the Place Directorate. Total expenditure decreases to £49.047m, £14.923m, £ 5.972m and £1.592m in 2027/28, 2028/29, 2029/30 and 2030/31 respectively.

The Strategy also advises that the Council is proposing to continue the use the flexibility provided by the Government to use capital receipts to fund the revenue cost of transformation.

Capital Programme 2025/26 to 2029/30

The 2025/26-month 9 capital monitoring position presented alongside this report includes expenditure projections that are a key determinant of the 2026/27 programme. The projected outturn spending position for 2025/26 is £70.200m being financed by. Grants and Other Contributions of £41.193m, Prudential Borrowing £23.983m, Capital Receipts of £4.714m and a slight revenue contribution of £0.310m.

Actual expenditure to 31 December 2025 was £40.189m (57.25%) of the forecast outturn. The position will be kept under review and budgets will continue to be managed in accordance with forecasts.

Consultation

There has been consultation with the members of the Capital Investment Programme Board, Leadership and Senior Management on the proposed Capital Strategy and Capital Programme for 2026/27 to 2030/31. The proposed Capital Strategy and Capital Programme for 2026/27 to 2030/31 is presented to, and considered by the Governance, Strategy and Resources Scrutiny Board on 28 January 2026, for their review, consideration and recommendation to commend to Cabinet.

Recommendations

That Governance, Strategy & Resources Scrutiny Board Council considers and comments upon approriate::

i) The Capital Strategy for 2026/27 to 2030/31 at Appendix 1 of this report and summarised at Section 2.1.

ii) The capital programme for 2026/27 and indicative programmes for 2027/28 to 2029/30 at Annex C of Appendix 1 and summarised at sections 2.2 to 2.5 of this report.

iii) The Flexible Use of Capital Receipts Strategy as presented at Annex D of Appendix 1.

iv) The Minumum Revenue Provision (MRP) Policy Statement 2026/27 and method of calculation and Prudential Indicators detailed in Appendix 2.

Governance, Strategy & Resources Scrutiny Board **28 January 2026**

Capital Strategy and Capital Programme 2026/27 to 2030/31

1. Background

1.1 In accordance with good practice, the Council has traditionally prepared a Capital Strategy, the overarching aim of which is to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy for 2026/27 to 2030/31 has been prepared to cover an initial five-year timeframe. Recognising that there is some uncertainty, especially in relation to funding in later years, the Strategy therefore focuses on 2026/27 and 2027/28 in detail.

1.2 The Strategy does however include a longer-term vision, which also covers the time frame for 10 years from 2031/32 to 2040/41. 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 the latest Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in December 2021. 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 strategic policy objectives, governance procedures and how associated risks are managed;
- The implications for future financial sustainability.

1.4 This report therefore summarises the key elements of the Capital Strategy which are outlined in more detail at Appendix 1.

1.5 The report also presents the proposed 2026/27 to 2030/31 capital spending plans of the Council. This, taken together with an update on spending in 2025/26, has a significant influence over the profiling of expenditure into future years.

1.6 The proposed Capital Strategy and Capital Programme for 2026/27 to 2030/31 therefore takes the essential elements of previous Capital Strategies and programmes and moves them forward in the context of the financial, economic and political environment for 2026/27 onwards. The Capital Strategy is attached at Appendix 1, with the Capital Programme 2026/27 to 2030/31 in Annex C of Appendix 1.

2 Current Position

2.1 Capital Strategy 2026/7 to 2029/31

2.1.1 The overarching aim of the Capital Strategy is to provide a framework within which the Council's capital investment plans will be delivered over a five-year timeframe, 2026/27 to 2030/31, reflecting the requirements of the latest guidance issued by CIPFA as part of the Prudential and Treasury Management Codes.

2.1.2 The 2026/27 to 2030/31 Capital Strategy is influenced by the principles which shape the overarching budget process for 2026/27 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 and the wellbeing of the residents of Oldham.

The Principles of the Capital Strategy

2.1.3 The Capital Strategy has 16 principles outlined in Appendix 1 Section 2. The principles are largely unchanged from previous years and emphasise the role of the Capital Investment Programme Board (CIPB) in leading the strategic direction for capital investment, with the Terms of Reference of the CIPB included at Annex B of the Appendix

2.1.4 These principles frame decision making on capital expenditure and underpin the Council's approach to capital investment.

Priority Areas for Investment

2.1.5 Section 3 of Appendix 1 advises of the priority investment areas identified for the 2026/27 to 2030/31 period that will be taken forward.

2.1.6 There is an ongoing requirement for continued funding of existing programmes of work on:

- Corporate Landlord Function
- Town Centre Housing Projects
- Social Care

2.1.7 In addition to the projects specifically referred to above, Appendix 1 provides details of further/new projects for which funding is and may be required grouped by key strategies underpinning the programme:

- Creating a Better Place
- Highways and Transport
- Other Programmes and Schemes

2.1.8 The detail of each scheme is outlined in more detail at Appendix 1.

2.1.9 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, and the capitalisation of interest costs associated with borrowing for the development of capital schemes. The Council has increased the programme for this resource by £1.592m taking the total resource to £5.000m over the 5 year strategy period.

Affordability, Delivery and Risk Associated with the Capital Schemes

2.1.10 In accordance with the requirements of the Prudential and Treasury Management Codes of Practice, the Council must state how it will ensure that its capital spending plans are affordable, how projects will be delivered, and how risks associated with the capital programme are managed. This is outlined at Section 4. Included within this section is the concept of Proportionality, which demonstrates the Council has minimal exposure from income generating assets that supports the Council's net revenue budget.

Knowledge and Skills

2.1.11 It is essential to advise of the knowledge and skills of the staff who have responsibility for the preparation and on-going management of the capital and treasury management strategies and other key activities in relation to the management of the capital programme. Members can be assured that the Council has suitably skilled and experienced staff and appropriate governance arrangements are in place. This is set out in Section 5.

Treasury Management

2.1.12 The Capital and Treasury Management Strategies of the Council are closely linked, and Section 6 of Appendix 1 therefore sets out how each are prepared to have regard to the key issues and ensuring a complementary and fully aligned approach.

Long Term Loans

2.1.13 Section 7 advises that the Council has the ability, should it choose to exercise its powers, to enter into loan arrangements to support delivery of strategic corporate priorities. It also advises that the Council has chosen to make some but limited use of its ability to enter into loan arrangements.

Other Non-Treasury Investments

2.1.14 Section 8 highlights the Council's non-treasury investments. A number of years ago the Council invested in the Churches, Charities and Local Authorities (CCLA) property fund and holds historical commercial property assets that were acquired prior to the introduction of revised Public Works Loan Board (PWLB) lending criteria. These assets are located throughout the borough and were purchased primarily to support local policy objectives of acquisition strategic sites to support long term redevelopment and regeneration ambitions.

Capital Resources to Support Capital Expenditure

2.1.15 Section 9 of Appendix 1 sets out the range of resources that the Council will rely on to support capital spending. In addition to prudential borrowing and Government grants, which together are the main financing source for the capital programme, the Council will, depending on the circumstances, consider using a range of resources and opportunities to finance capital expenditure and will continue to monitor the availability and suitability of alternative sources of financing. Financing decisions will, however, be made in the context of the schemes being considered for approval and the overall financial position of the Council at the time a decision is required.

2.1.16 This section also highlights the circumstances where capital receipts will be ringfenced to support specific purposes. This includes the use of £2.600m to support the Council's use of flexibility capital receipts for in 2026/27.

Capital Investment and Disposal Appraisal

2.1.17 Section 10 of Appendix 1 advises that all capital investment will be commissioned on the recommendation of the CIPB which will enable any expenditure and its funding to be better aligned with corporate priorities, partners and funding sources. It also advises that the:

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

The Prioritisation of Capital Requirements

2.1.18 Section 11 highlights that once a bid for capital expenditure has passed through the Gateway Review process, has demonstrated that it meets Council objectives, 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 a range of criteria which are not mutually exclusive or in ranking order. Detailed in full at Section 11, these include:

- The relationship to mandatory, contractual or legislative service delivery requirements.
- Whether the project is required to achieve the delivery of a specific revenue budget saving within the revenue budget setting process.

The Procurement of Capital Projects

2.1.19 Section 12 of Appendix 1 advises that 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 and can therefore take advantage of opportunities for greater efficiency by selection of the most effective procurement processes to ensure the best commercial solution.

The Measurement of the Performance of the Capital Programme

2.1.20 Section 13 of Appendix 1 highlights the approach to managing the performance of the Capital Programme. It advises that the Council's strong programme management approach is modelled on the PRINCE 2 project management methodology and based on best current practice. This ensures that investments are planned, managed and delivered prudently. In addition, the CIPB has a remit to review the financial performance of the capital programme. It receives regular monitoring reports and undertakes a detailed annual review of the capital programme.

The Capital Investment Programme Board

2.1.21 Section 14 of Appendix 1 advises that the CIPB will continue in its role as an Advisory Board chaired by the Deputy Leader & Cabinet Member for Finance, Corporate Services and Sustainability. The Board is supported by a range of key officers. The CIPB will make recommendations which can be approved under delegated powers as appropriate. Its terms of reference are presented at Annex B to Appendix 1.

Flexible use of Capital Receipts Strategy

2.1.22 The Council is proposing to utilise the flexibility provided by the Ministry of Housing, Communities and Local Government (MHCLG) to use capital receipts to fund the revenue cost of transformation. The 2026/27-2030/31 revenue budget will rely on up to £2.600m of funding from capital receipts each year until the expiry of the capital direction in 2030. Annex D sets out the required Flexible Use of Capital Receipts Strategy which advises how the capital receipts will be used and the transformation programme that will deliver savings.

Update on the 2025/26 Capital Programme

2.2.1 The 2025/26 Month 9 capital monitoring position includes projections that are a key determinant of the 2026/27 programme. As many schemes span more than one year, the anticipated level of reprofiling between years sets the underlying position.

2.2.2 The capital programme for 2025/26 was approved at the Council meeting of 6 March 2025, with expenditure of £108.501m and supporting financing. This has been reduced downwards throughout the year and has subsequently been amended. This includes the outcome of the 2025/26 annual review of the capital programme. The annual review is a comprehensive project by project scrutiny of all schemes in the programme which is being reported in detail to Cabinet within the Month 9 Financial Monitoring report elsewhere on the Agenda for this meeting.

2.2.3 The latest available capital monitoring position for the 2025/26 to 2029/30 Capital Programme at month 9 included projected capital expenditure totalling £70.200m for 2025/26 matched with corresponding financing.

2.2.4 Actual expenditure to 31 December 2025 was £40.189m (57.25% of forecast outturn). The position will be kept under review and budgets will continue to be managed in accordance with forecasts.

2.2.5 The 2025/26 forecast capital spending and financing position as at month 9 is set out in the following table.

Table 1 - Revised 2025/26 Capital Programme

Directorate Expenditure	2025/26 Capital Programme as at M09 £000
Community Health and Adult Social Care	3,664
Children's Services	4,325
Heritage, Libraries & Arts	560
Place	
-Corporate Property	4,274
-Environment	1,414
-Housing	6,544
-Regeneration	36,199
-Transport	8,087
Housing Revenue Account (HRA)	250
Resources / Information Technology (IT)	1,283
Capital, Treasury & Technical Accounting	3,600
Total Expenditure	**70,200**

Funding	2025/26 Capital Programme as at M09 £000
Ringfenced Grants	(35,108)
Un-ringfenced Grants	(5,558)
Other Contributions	(527)
Capital Receipts	(4,714)
Prudential Borrowing	(23,983)
Revenue (HRA & General Fund)	(310)
Total Resources	**(70,200)**

2.2.6 The forecast capital receipts position as at 31 December 2025 is as follows:

Table 2 - Capital Receipts Position

Capital Receipts Position	£000
Expenditure to be Funded from Capital Receipts	4,714
Forecast Capital Receipts Available by 31 March 2026	(5,817)
Forecast Surplus in Capital Receipts	**(1,103)**

2.2.7 The revised capital programme requires the availability of £4.714m of capital receipts in 2025/26 for financing purposes. The total net usable capital receipts currently received in year is £0.954m with an additional estimate of £4.863m to be received by 31 March 2026, therefore the total estimated capital receipts for 2025/26 is £5.817m. Members should note that the first £2.600m of capital receipts will be used to fund the Flexible Use of Capital Receipts initiative which supports transformational expenditure and therefore supports the revenue budget in 2025/26.

2.2.8 The annual review of the capital programme examined all schemes to give Members confidence that planned expenditure remained relevant and aligned with corporate objectives. The capital programme for 2026/27 (and future years) reflects the results of the review and the additional resources made available since month 9 shown below.

Directorate Budget	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	TOTAL £000
Place - Transport	335	8,837	5,613	4,180	-	-	**18,965**
Funding for Emerging Priorities	-	-	-	-	-	1,592	**1,592**
Capital, Treasury & Technical Accounting		600	600	600	600		**2,400**
Grand Total	**335**	**9,437**	**6,213**	**4,780**	**600**	**1,592**	**22,957**

Funding	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000	TOTAL £000
Grant & Other Contributions	(335)	(6,837)	(5,613)	(4,180)	-	-	**(16,965)**
Prudential Borrowing	-	(2,000)	-	-	-	(1,592)	**(3,592)**
Capital Receipts		(600)	(600)	(600)	(600)	-	**(2,400)**
Grand Total	**(335)**	**(9,437)**	**(6,213)**	**(4,780)**	**(600)**	**(1,592)**	**(22,957)**

2.2.9 It is anticipated that the 2025/26 position will still continue to change as Cabinet reports are approved and with amendments reviewed by the CIPB and approved under delegated authority as a result of the on-going monitoring process.

2.3 Proposed Expenditure for 2026/27 to 2030/31

2.3.1 The table below sets out the summary of the anticipated expenditure and matched financing of £168.691m, which incorporates resources expected to be carried forward from 2025/26. The proposed 2026/27 to 2030/31 programme reflects the 2025/26 Month 9 position together with an enhanced projection of expenditure for 2026/27 to 2030/31 incorporating anticipated spending on new initiatives and an allowance, at funding for emerging priorities for new initiatives/projects to be supported. The detailed programme is set out at Annex C of Appendix 1.

Table 3 - Capital Programme 2026/27 to 2030/31

Proposed Capital Spending	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Community Health and Adult Social Care	3,664	3,587	3,870	-	-	-
Children's Services	4,326	9,657	6,481	2,209	10	-
Communities	-	125	-	-	-	-
Heritage, Libraries & Arts	560	-	-	-	-	-
Place						-
-Corporate Property	4,274	4,346	3,669	1,744	362	-
-Environment	1,414	2,663	111	-	-	-
-Housing	6,544	4,702	-	-	-	-
-Regeneration	36,198	35,084	9,230	92	-	-
-Transport	8,422	26,158	12,627	4,180	-	-
Housing Revenue Account (HRA)	250	6,151	3,849	-	-	-
Resources / Information Technology (IT)	1,283	3,843	3,336	1,092	-	-
Capital, Treasury & Technical Accounting	3,600	3,240	4,973	3,100	5,600	-
Funding for Emerging Priorities	-	-	902	2,506	-	1,592
Total Expenditure	**70,535**	**99,556**	**49,047**	**14,923**	**5,972**	**1,592**
Funding	**2025/26 £000**	**2026/27 £000**	**2027/28 £000**	**2028/29 £000**	**2029/30 £000**	**2030/31 £000**
Ringfenced Grants	(35,444)	(49,882)	(27,361)	(4,180)	-	-
Un-ringfenced Grants	(5,558)	(9,787)	(4,355)	(1,169)	(256)	-
Other Contributions	(526)	(87)	(831)	-	-	-
Capital Receipts	(4,714)	(3,751)	(2,900)	(2,600)	(2,600)	-
Prudential Borrowing	(23,983)	(33,039)	(13,600)	(6,974)	(3,116)	(1,592)
Revenue (HRA & GF)	(310)	(3,010)	-	-	-	-
Total Funding	**(70,535)**	**(99,556)**	**(49,047)**	**(14,923)**	**(5,972)**	**(1,592)**

2.4 Resources Available to Support the Capital Programme

2.4.1 Included within the Capital Programme 2026/27 to 2030/31, capital grants and contributions provide a significant proportion of the overall funding. Some new funding initiatives have been introduced during 2026/27 and will continue over the life of the programme. Grants have been awarded/anticipated for Education, Regeneration, Housing, and Transport projects. The Council has not yet received all the grant allocations for 2026/27, and any new funding will be incorporated into future updates.

Government Grant Funding

2.4.2 The Government resources available to the Council can be split into two categories: un-ringfenced and ringfenced resources, as explained in Section 9 of the Capital Strategy.

2.4.3 Some Government grant resources have been moved between financial years in order to support re-profiled expenditure as detailed in Annex C of Appendix 1.

2.5 Proposed Capital Programme

2.5.1 Annex C of Appendix 1 of this report details the proposed 2026/27 Capital Programme and the indicative programme for the period 2027/28 to 2030/31. The strategy of the Council is to prepare a capital programme that balances over the life of the programme so that resources equal overall expenditure. Therefore, over the five years there is planned expenditure of £171.090m with corresponding financing.

2.5.2 Total expenditure in 2067/27 is planned at £99.556m. However, the in-year position is anticipated to evolve as:

- There may be further Government funding allocations announced prior to the start of 2026/27.
- The outcome of specific grant bids will be announced during 2026/27.
- It is also likely that there will be new initiatives announced later in the financial year.
- There may also be the opportunity to bid for additional funding.
- The Council may identify other funding sources, including capital receipts, to finance additional capital expenditure.

2.5.3 Therefore the overall capital programme position will be kept under review and any new information about funding allocations will be presented to Members in future reports.

3. **Options/Alternatives**

3.1 The two options that Governance, Strategy & Resources Scrutiny Board are asked to consider are to:

a) Accept the proposed recommendations of Capital Strategy and Capital Programme for 2026/27 to 2030/31, Flexible Use of Capital Receipts Policy, Treasury Management Indicators, and MRP policy.

b) Suggest an alternative approach to capital investment for 2026/27 to 2030/31, including the revision of capital priority areas.

4. **Preferred Option**

4.1 The preferred option is 3.1 (a) that Governance, Strategy & Resources Scrutiny Board commends the proposed Capital Strategy and Capital Programme for 2026/27 to 2030/31, Treasury Management indicators and MRP policy to Cabinet.

5. **Consultation**

5.1 Consultation has taken place with the members of the CIPB which includes Cabinet Members, Leadership and the Chief Executive group. The members of the CIPB have contributed to the preparation of the 2026/27 to 2030/31 Capital Strategy and Capital Programme. Consideration of the Capital Strategy by the Governance, Strategy and Resources Scrutiny Board is a key part of the consultation process. Any comments from the Board will be incorporated into the report presented to Cabinet on 9 February 2026 and Council on 4 March 2026.

6. **Financial Implications**

6.1 These are covered within the body of the report and associated appendices.
Lee Walsh (Director of Finance & Section 151 Officer)

7. **Legal Services Comments**

7.1 Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 the responsibility for approving any plan or strategy for the control of Local Authority borrowing, investment or Capital Strategy, or for determining the Minimum Revenue Provision is a decision of the full Council. The function of the Executive is to prepare and propose the relevant Strategy to the Council. The Council may require the Cabinet to reconsider, amend, modify, revise, vary, withdraw, or revoke the strategy.

8. **Procurement Implications**

8.1 There are no procurement implications arising directly from this report. Any procurement implications in relation to individual schemes will be the subject of a separate report.

9. **Equality Impact, including implications for Children and Young People**

9.1 Not applicable.

10. **Key Decision**

10.1 Yes

11. **Forward Plan Reference**

11.1 FCR-17-25

12. Background Papers

12.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are contained within Appendix 1 and Appendix 2
Officer Name: James Postle & Paula Buckley
Contact No: 0161 770 4247

13. Appendices

13.1 Appendix 1 – Capital Strategy 2026/27 to 2030/31

13.2 Appendix 2 – Capital Strategy 2026/27 to 2030/31 and Minimum Revenue Provision (MRP) Policy Statement 2026/27

Appendix 1

Oldham Council

Capital Strategy
2026/27 to 2030/31

Capital Strategy 2026/27 to 2030/31

Contents

1 Aims of the Capital Strategy and its Links to the Council's Corporate Plan: Ready for the Future 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 2026/27 to 2030/31 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) sets out a financial forecast for the period 2026/27 to 2028/29 with indicative budget position for the years 2029/30 and 2030/31 which are outside the current settlement period. The Provisional Local Government Finance Settlement of 17 December 2025 was the first multi-year settlement since 2016/17 which provided some funding certainty up to 2028/29, the end of the current Spending Review period, albeit indicative allocations only. Recognising that funding estimates beyond 2026/27 are indicative, this Strategy is aligned to the revenue budget and therefore also focuses on 2026/27 in detail, with indicative estimates for 2027/28 and future years.

1.2 The Strategy does however include a longer term vision, which also covers the time frame for 10 years from 2031/32 to 2040/41. 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 2026/27 have incorporated the requirements of the Codes.

Co-operative Council

1.8 The 2026/27 to 2030/31 Capital Strategy is influenced by the principles which shape the overarching budget process for 2026/27 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, building on the redevelopment of the Spindles and Town Square Shopping Centres;
  - Implementing key strands of the Housing Strategy to improve the housing offer, including Town Centre housing with the Council’s Strategic Development partner;
  - Improving connectivity across the borough; and
  - 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 Enhanced Business Rates Retention scheme (originally pilot scheme), which commenced across Greater Manchester on 1 April 2017.

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 approached 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 2024-27, 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 2024-2027 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 co-ordinate Oldham's Partnership response with the missions of the government.

1.17 The 2026/27 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.

1.20 The programme includes several schemes which are already at the delivery stage, including the finalisation of the redevelopment of the Spindles and Town Square Shopping Centres, Northern Roots, and the refurbishment of the Oldham Coliseum. Other schemes which are being progressed include, Tommyfield Park, 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. The Princes Gate scheme has been included in the Partnership and during 2025/26 there was a successful bid to the Greater Manchester Combined Authority (GMCA) for Good Growth Funding of £31.5m for the partnership.

1.23 The Council has succeeded in securing an allocation of £20m of Community Regeneration Partnership Fund and during 2025/26 the Council's remaining allocations of Towns Fund and Levelling Up funding were combined into a new Local Regeneration Fund Capital Grant. The grant funding is supporting a number of key regeneration projects including the Northern Roots Visitors Centre and Forestry Skills Centre, the refurbishment of the Coliseum Theatre and associated town centre works, the new outdoor market at George Square, funding for the development of the Sportstown project and the provision of grants to the VCSFE sector.

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 The Council's Medium Term Property Strategy (MTPS) is a high-level strategy that incorporates a detailed Asset Management Plan for every group of the Council's assets. This plan has 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; and
- The rationalisation of the Council's corporate estate to ensure that the estate provides value for money.

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 aligns the priorities within the Creating a Better Place programme and the Oldham Plan, the Places for Everyone Framework 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 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 2026/27, an assumption has been made that all resources that remain unallocated within the 2025/26 programme will be treated as though they are fully committed and carried forward into 2026/27 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 2026/27 to 2030/31 are set out in Section 3.

3 Priority Areas for Investment

3.1 The priority investment areas identified for the 2026/27 to 2030/31 period are covered below. This section highlights potential priority investment areas for 2026/27 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

3.3 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, Heritage Town Centre Assets, and Other Regeneration schemes including Prudential Building, Tommyfield Park and Greenway, 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 Central Government Funding
g) Capital Grants to Third Sector Organisations
h) Matched Funding for Grant Bids
i) Funding for Emerging Priorities

3.4 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.

3.5 An allocation for Capitalisation of Interest costs has been provided for over the life of the Capital Strategy.

3.6 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 2031/32 to 2040/41.

3.7 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 is updated annually. The Strategy and Framework were reviewed in April 2025. 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 £534.517m (CFR) by 2030/31.

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.

	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	2029/30 Estimate £'000	2030/31 Estimate £'000
Total Net Non-Financial Investment Return	98	98	98	98	98
Net Revenue Budget	367,259	389,499	410,841	440,386	449,860
% of Net Non- Financial Investment Income as a contribution to Net Revenue Budget	**0.03**	**0.03**	**0.03**	**0.03**	**0.03**

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 2026/27 to 2030/31 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 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 Council's budget process.

6.3 At the end of the five year Capital Strategy period, the Council's debt is forecast to be £399.581m (CFR £534.517m. 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 £217.038m of such liabilities at the start of 2026/27 which is expected to reduce to £178.490m by 2030/31. The Council's Operational Boundary for 2026/27 is forecast to be £595.000m. The Council's Authorised Borrowing limit will be £613.500m for 2026/27.

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 £92.985m.

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 Council's Treasury Management Strategy 2026/27.

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; and
- 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 and the returns available on cash investments, along with reduced Central Government financial support for local public services has seen the Council having to investigate 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 £13.615m in the property fund and the investment currently generates an income return of approximately 4.62% 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 2026/27 to 2030/31 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 2026/27 to 2030/31 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 high-needs school places in 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) The development of opportunities for new schemes arising from the levelling up agenda.
g) The Council's ambition to deliver its Housing Strategy.
h) Any resources allocated by Central Government after approval of the Council's 2026/27 to 2030/31 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 10) 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 unless expenditure relating to qualifying housing provision can be identified ; 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).

Ringfencing of Capital Receipts

9.3.12 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.

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

Flexible Use of Capital Receipts

9.3.14 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 2026/27 the first £2.600m of qualifying disposals/ receipts will be used to support the revenue budget via the financing of transformational projects.

9.3.15 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.

9.3.16 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

9.3.17 In considering the 2026/27 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.

9.3.18 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.

9.3.19 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.

9.3.20 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

9.3.21 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

9.3.22 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

9.3.23 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.

9.3.24 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.

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

g) Community Infrastructure Levy

9.3.26 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.

Private Finance Initiative (PFI) and Similar Initiatives

9.3.27 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. However, no new PFI schemes are currently anticipated.

h) UK Municipal Bonds Agency Plc

9.3.28 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.

9.3.29 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).

9.3.30 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 it's 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 <u>not</u> 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 an ambitious programme of transformation which includes rationalising the corporate estate as a key driver for change which includes the delivery of a revenue budget reduction.

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 saving.

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) Northwest Contractor Framework income from other public bodies that 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 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 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 Deputy Leader and Cabinet Member for Finance, Corporate Services and Sustainability. The lead Chief Officer for CIPB is the Executive Director Place (Deputy Chief Executive). 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 2026/27 to 2030/31 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 2030/31 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 2031/32 to 2040/41.

A) Schemes to be Delivered in Years 0-5 (2026/27 to 2030/31)

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 (2026/27 to 2030/31); and
- those which will progress from 2031/32 to 2040/41 (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, following the outcome of the review of the Capital Strategy 2026/27 to 2030/31, in the financial year 2030/31 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

2027/28 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. Provision for such expenditure is included within the Place – Asset Management service budget which has an allocation of £5.124m over the remaining programme.

b) School Condition Works

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

c) High Needs Provision Capital Allocation (HNPCA)

   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 and young people with complex needs, who have Education, Health and Care plans (EHCPs), and where appropriate, other pupils with SEND without an EHCP
   • children and young people who require Alternative Provision (AP) (including children in AP settings without an EHCP).

d) ICT (Digital, Data and Technology) Strategy

The Digital, Data and Technology Strategy is underpinned by 6 core pillars that form the basis of the Capital Investment required to provision an infrastructure platform that is fit for purpose, scalable and secure, enabling Oldham Council for digital transformation of resident facing services to back-office functions. It will harness data as a strategic asset, integrating Microsoft technologies to transform council operations, empower the workforce, and deliver citizen-centred results, in line with national data and cyber strategies and with local priority focus.

Pillar 1 – Digital Infrastructure & Cloud Excellence

- Full Cloud Migration
- Cybersecurity and Data Protection
- Sustainable and Scalable IT

In 2026, IT will safely and securely exit the Council's on-premise data centre and move all legacy Council systems into the MS Azure cloud environment with suitable Disaster Recovery provision. The network is being enhanced by implementing the Great Manchester One Network across the Borough. IT will complete this upgrade and improvements of the network, complete the refresh of the Wifi, complete the migration into Azure and the optimisation of the infrastructure for financial maintainability and resilience. The Public Switched Telephone Network (PSTN) transition project will also complete in 2026/27.

New Cyber essential initiatives will be starting for:

1. Aligning with National Cyber Security Centre (NCSC) cyber security best practices by adopting Zero Trust Network Access (ZTNA) to benefit from a cloud-native platform that enforces Zero Trust principles, providing secure access to applications and data to enable faster connections routing traffic through its global edge network.
2. Transitioning to an external Security Operations Centre, to benefit from specialised 24/7 threat monitoring, advanced incident response, and seamless integration with modern zero-trust architectures.
3. Implementing the methodology for achieving Cyber Assessment Framework (CAF) compliance, to aid the management of cyber risk, control and remediation.
4. Exploiting Microsoft cloud services to further enhance the Council cyber posture in alignment with the NCSC guidelines.
5. Refreshing the networks witches around the Borough.

Pillar 2 – Intelligent Automation & AI Integration

- Digital Transformation
- Automating Tasks
- Enhancing service quality

The Council will adopt Robotic Process Automation (RPA) and explore Generative AI agents to streamline repetitive, rule-based tasks across key service areas, reducing manual effort and improving operational efficiency. RPA will enable faster processing of high-volume transactions, such as data entry, reporting, and compliance checks, freeing staff to focus on value-added activities and citizen engagement. By integrating RPA with AI-driven tools and existing platforms like Microsoft 365 and Fabric, the Council will create intelligent workflows that deliver cost savings, enhance accuracy, and support a more agile, digitally enabled organisation

Pillar 3 – Data Excellence & Governance

- Unified Data Platform
- Data-Driven Decisions
- Centralised System with Analytic Tools

Whilst a Data Services Platform has been developed, this data initiative will grow over the next financial year. The aim is to evolve from fragmented data silos, with no central corporate home for data and analysts embedded in business units, to a unified, AI-enhanced Data Services Platform using Microsoft Fabric, Co-pilot agents, Power BI, and automation tools. The focus is on revolutionising services such as adults' and children's social care through predictive analytics, automated workflows, and real-time insights, whilst prioritising ethical governance and digital inclusion.

New initiatives will be to migrate to Microsoft Fabric and to develop the Data Platform further with ingestion from increased data sources.

Pillar 4 – Citizen Centric Services

- Customer Experience Excellence
- Accessible Digital Interfaces
- Resident Focussed Services

The focus is on delivering accessible, intuitive digital services through a modern Customer Digital Platform and redesigned modern website and potentially the development of an Oldham App. Investments in cloud-based business systems and improved contact centre capabilities will create seamless, end-to-end digital experiences for residents. This will be supported by utilising Dynamics for Case Management.

One specific development in the Borough will be to replace all public facing devices in libraries, lifelong learning centres etc with an improved user experience.

Pillar 5 – Workforce Empowerment

- Digital Collaboration
- Mobile Workforce
- Digital Skills Development

The laptop refresh replacing Lenovo devices with the Microsoft Surface devices is ongoing and will be completed during the 2026/27 period. The aim is to enable a mobile, digitally skilled workforce through M365 collaboration tools, secure remote access, and automation of HR processes. Migrating shared files to SharePoint Online, utilising OneDrive and deploying cloud-based Teams telephony will support hybrid working principles. Initiatives to implement more of the collaborative tools included within MS Office 365 will also increase the productivity of the workforce.

Pillar 6 – Innovation & Partnerships

- Develop Strategic Partnerships
- Exploit Emerging Technologies
- Innovation Collaboration

To foster innovation by developing strategic partnerships and exploring emerging technologies with other GM authorities and further afield as required. This collaborative approach ensures agility, learning from others, avoiding pitfalls and being future-ready, and capable of delivering transformative solutions for residents and services

Whilst this funding will allow the commencement of the new essential initiatives noted above during 2026/27, further funding would be required to undertake any developments in the following areas:

- Website Refresh
- iTrent development
- Agresso Upgrade & move to the Cloud as SaaS
- Service Area improvements / modernisation such as
    - Customer Services
    - Environmental Services
    - Adults and Children's Social Care
- Critical System Replacements
- Schools PSTN and Support

- Further Case Management and CRM Development

The above areas will be picked up by either the service area or transformation budget.

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 £7.457m 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 Resources 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 costs are circa £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 to ensure efficient utilisation and rationalisation of the Council's corporate estate (land and property). The Creating a Better Place programme incorporates a wide range of schemes which are either in train or will be started over the period 2026/27 to 2030/31.

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 and £10.750m and £20m from the Levelling Up Fund Round 2, which have now been combined into the Local Regeneration Fund (£19.432m over this Capital Strategy Period) and £20m from the Community Regeneration Fund (£8.375m 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 focuses 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 Stratergy, including the potential opportunities from the Local Authority Housing Fund which provides a 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 for the borough to achieve carbon neutrality by 2030.

Details of key regeneration schemes are set out below.

Spindles and Town Square Shopping Centres

The Council acquired the shopping centres as a critical strand of wider plans for the redevelopment of the town centre. The centre's acquisition and redevelopment has facilitated the release other town centre sites for repurposing including the provision of housing and additional green space.

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 and third phases completed during the 2024/25 financial year with Council staff now based in the centre.

The Archives element of the schemes was completed in September 2025 and the Market, Events Centre (the Loom) element is in the final stages of completion and fit-out and is currently expected to be open before the end of the 2025/26 financial year.

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 contribute to the Council's requirements for housing.

Coliseum

Towns Fund Grant supplemented by Council Funding will help bring the Oldham Coliseum building on Fairbottom Street back into use. The initial asbestos strip has already been undertaken, and Tilbury Douglas have been awarded the redevelopment contract and works are currently underway and progressing on site. There are also plans funded via the Community Regeneration Fund to enhance the Public Realm around the Yorkshire Street/Fairbottom Street area to support the reopening of the Coliseum.

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. Willmott Dixon have been awarded the development contract and works are currently underway and expected to complete by Summer 2026.

Sportstown

The Council, along with other landowners around Boundary Park Stadium are working with a range of partners to establish an ambitious vision which defines plans to bring together Oldham's sporting excellence, health care and much needed enhanced educational pathways through the creation of a new centre of excellence whilst also increasing participation for a wide range of users at the heart of the community. The Council's contribution is funded from the Community Partnership Regeneration Fund.

District Priorities

The Council is supporting via Community Regeneration Partnership Funding and Long-Term Plan for Towns funding to support Community and voluntary sector capital works across the Council's 5 districts to support the Oldham Plan main priorities of a great place to live: healthier, happier lives and green and growing.

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 development at Kaskenmoor and other pipeline sites 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 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 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 the borough to be carbon neutral by 2030;
- 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 2026/27 to 2030/31 includes an allocation within the Place – 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 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, work is underway at the solar farm at Wrigley Head with completion of the farm currently anticipated to be during Summer 2026.

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 continued to develop during 2025/26 and the procurement process for Delivery Partner is expected to go out to the market before the end of the 2025/26 financial year.

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 its 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 (2027-2032) 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.

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, 2024/25 and 2025/26, 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 for 2026/27.
- £4.5m Strategic Maintenance scheme for major maintenance / refurbishment of the Manchester Street Viaduct between 2023/24 – 2026/27 with £3m of maintenance block funding to match fund the scheme in 2026/27.
- The schemes focus on bus priority and active travel at St Mary's Way (£0.9m), and the Mumps Corridor (£0.675m) will seek assurance for capital funding to deliver the schemes in 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 schemes. Capital funding for delivery of these schemes will be sought in 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 charge point 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 31 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 capital 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 government.

In addition, details regarding the 3 Year Settlement allocation from GMCA 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, 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 2025/26 the full Better Care Fund (BCF) capital allocation in the form of Disabled Facilities Grant (DFG) was £2.908m, 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 and the grant is included within the Section 75 Pooled Fund in place between the Council and Oldham ICP. It is expected that the allocation will be fully utilised at the end of the current financial year. In the absence of a formal notification of funding for 2026/27 it is anticipated that the allocation will at least mirror the 2025/26 grant allocation, albeit to be prudent have not included any allocation within the strategy. This will be updated upon any future Government announcements.

Oldham Total Care

The capital programme has a provision of £0.437m for Oldham Total Care 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

Work is continuing to increase the Council's internal capacity of Children's Social Care residential homes. Two of the homes are now completed and operational, with work on the third property ongoing. It is expected that the third property will be opened during 2026/27.

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. Subject to approval of a formal policy, 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 significantly 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. A full Council-wide fleet strategy will be developed in 2026/27.

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 Central Government Funding

Following on from the Local and Community Regeneration Fund awards for the Council. The Council will ensure as more information becomes available about future potential Central Government 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 £5.000m is available over the life 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 external events beyond the control of the Council and the current Cost of Living crisis. 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) <u>Schemes to be delivered over a further 10 years (2031/32 to 2040/41)</u>

The Creating a Better Place programme encompasses ambitious town centre and borough-wide regeneration plans, the MTPS and the Housing Strategy. The Council has reviewed and developed these 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 2031/32 to 2039/40 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, restoration works to historic/heritage buildings, 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 Council's current Housing 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.

Annex B

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 Finance, Corporate Services and 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 Executive Director Place (Deputy Chief Executive).

Officers in attendance at CIPB are:

a) Executive Director Place (Deputy Chief Executive)
b) The Director of Finance (S151 Officer)
c) Senior Members of the Finance Service
d) Director of Education, Early Years and Skills
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 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, Corporate Services and Sustainability, in consultation with the Executive Director Place (Deputy Chief Executive) and the Director of Finance (S151 Officer).

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 Digital

Capital Programme 2026/27 to 2030/31 **Annex C**

Expenditure	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Community Health and Adult Social Care	**3,587**	**3,870**	**-**	**-**	**-**
Social Care	3,587	3,870	-	-	-
Disabled Facilities Grant	-	-	-	-	-
Children's Services	**9,657**	**6,481**	**2,209**	**10**	**-**
Children, Young People and Familes	742		-	-	
Capital - Schools - General	3,127	6,481	2,209	10	
Capital - Schools - Primary	2,355	-	-	-	
Capital - Schools - Secondary	1,593	-	-	-	
Capital - Schools - Special	1,840	-	-	-	
Capital - Schools New Build	-	-	-	-	
Communities	**125**	**-**	**-**	**-**	**-**
Local Investment Fund	125	-	-	-	
Place	**72,953**	**25,636**	**6,016**	**362**	**-**
Asset Management - Backlog Maintenance	2,817	1,625	575	107	
Asset Management - Education Premises	1,529	2,044	1,169	255	
Boroughwide Developments	17,363	1,700	92	-	
Environment Services (inc Cemeteries and Crematorium)	2,663	110		-	
Housing	4,702			-	
Strategic Acquisitions	1,147	-	-	-	
Town Centre Developments	16,574	7,530	-	-	
Transport Services	24,232	12,627	4,180	-	
Fleet Management	1,926	-		-	
Housing Revenue Account	**6,151**	**3,849**	**-**	**-**	**-**
Housing Revenue Account	6,151	3,849	-	-	
Resources / Information Technology (IT)	**3,843**	**3,336**	**1,092**	**-**	**-**
Information Technology	3,843	3,336	1,092	-	
Capital, Treasury & Technical Accounting	**3,240**	**4,973**	**3,100**	**5,600**	**-**
Strategic Investments	140				
Flexible Use of Capital Receipts	2,600	2,600	2,600	2,600	
Capitalised Interest	500	500	500	500	
Provision for Inflationary Pressures		1,873		2,500	
Capital General	**-**	**902**	**2,506**	**-**	**1,592**
Funding for Emerging Priorities		902	2,506	-	1,592
Budget Expenditure Total	**99,556**	**49,047**	**14,923**	**5,972**	**1,592**

Resources Available	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Ringfenced Grants	**(49,881)**	**(27,360)**	**(4,180)**	**-**	**-**
Brownfield Infrastructure and Land Funding Grant	(4,751)	-	-	-	-
Challenge Funding	(375)	-	-	-	-
City Region Sustainable Transport Settlement (CR	(15,120)	(8,663)	(4,180)	-	-
Community Regeneration Partnership Grant	(8,375)	-	-	-	-
Devolved Formula Capital (DFC)	(438)	-	-	-	-
Local Regeneration Fund	(14,083)	(5,349)	-	-	-
Grant in Aid	(7)	-	-	-	-
Green Heat Network Fund	-	(7,530)	-	-	-
High Needs Provision Capital Allocation (HNPCA)	(3,890)	(2,503)	-	-	-
Local Growth and Reform 2 Grant	(75)	-	-	-	-
Mayor's Cycling and Walking Challenge Fund	(2,017)	(3,315)	-	-	-
Pride in Place Impact Fund Grant (MHCLG)	(750)	-	-	-	-
Un-ringfenced Grants	**(9,788)**	**(4,356)**	**(1,169)**	**(256)**	**-**
Basic Need Capital Grant	(3,687)	(1,953)	-	-	-
LTP Highway Maintenance Grant	(4,572)	(359)	-	-	-
School Condition Allocation	(1,529)	(2,044)	(1,169)	(256)	-
Other resources - Other	**(87)**	**(831)**	**-**	**-**	**-**
Contribution from 3rd Parties	(87)	(831)	-	-	
Other resources – Capital Receipts	**(3,751)**	**(2,900)**	**(2,600)**	**(2,600)**	**-**
Agreed Council Resources	(1,151)	(300)			
Flexible Use of Capital Receipts	(2,600)	(2,600)	(2,600)	(2,600)	
Other resources - Prudential Borrowing	**(33,039)**	**(13,600)**	**(6,974)**	**(3,116)**	**(1,592)**
Prudential Borrowing	(33,039)	(13,600)	(6,974)	(3,116)	(1,592)
Revenue Contribution - Housing Revenue Account (HRA)	**(2,990)**	**-**	**-**	**-**	**-**
Revenue Contribution to Capital Outlay - HRA	(2,990)				
Revenue Contribution – General Fund(GF)	**(20)**	**-**	**-**	**-**	**-**
Revenue Contribution to Capital Outlay - GF	(20)	-	-	-	
Resources Total	**(99,556)**	**(49,047)**	**(14,923)**	**(5,972)**	**(1,592)**

Annex D

Flexible Use of Capital Receipts Strategy

Introduction

In March 2016, the former Secretary of State for Housing, Communities and Local Government, 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 2026/27 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 2026/27 to 2030/31 includes £2.600m in capital receipts specifically for this purpose in each subsequent year until 2029/30 of the programme. The first call on new capital receipts received in 2026/27 (£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 2026/27 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 2026/27
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.	1,003
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.	497
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 renewed 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
Total Flexible Use of Capital Receipts Relied upon to support the revenue budget in 2026/27		**2,600**

Appendix 2

Oldham Council

Capital Strategy
2026/27 to 2030/31
&
Minimum Revenue Provision (MRP)
Policy Statement 2026/27

1.0 Capital Strategy 2026/27 Report Tables

1.1 Introduction

1.1.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance Members' understanding of these sometime technical areas.

1.1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

1.2 Capital Expenditure and Financing

1.2.1 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

1.2.2 In 2026/27, the Authority is planning capital expenditure of £99.556m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	202425 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2060/31 Budget £000
Community Health and Adult Social Care	2,696	3,664	3,587	3,870	-	-	-
Children's Services	4,603	4,326	9,657	6,481	2,209	10	-
Communities	40	-	125	-	-	-	-
Heritage Libraries and Arts	11	560	-	-	-	-	-
Place							
- Corporate Property	2,860	4,274	4,346	3,669	1,744	362	-
- Environment	1,351	1,414	2,663	110	-	-	-
- Housing	1,689	6,544	4,702	-	-	-	-
- Regeneration	51,295	36,198	35,084	9,230	92	-	-
- Transport	10,519	8,422	26,158	12,627	4,180	-	-
Housing Revenue Account (HRA)	1	250	6,151	3,849	-	-	-
Corporate/Information Technology (IT)	3,510	1,283	3,843	3,336	1,092	-	-
Capital, Treasury & Technical Accounting	3,216	3,600	3,240	4,973	3,100	5,600	-
Funding for Emerging Priorities	-	-	-	902	2,506	-	1,592
Grand Total	**81,791**	**70,535**	**99,556**	**49,047**	**14,923**	**5,972**	**1,592**

1.2.3 Full details of the Authority's capital programme, including the project appraisals undertaken are included within Appendix 1.

1.2.4 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA Capital expenditure is therefore recorded separately.

1.3 Governance

1.3.1 Services bid to include projects in the Authorities capital programme which is considered alongside financing costs/funding streams. The Capital Investment Programme Board (CIPB) appraises new schemes and makes recommendations. The final capital programme is then presented to Cabinet in January and to Council in February/March each year.

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

Table 2: Capital financing

Funding	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Ringfenced Grants	(23,196)	(35,444)	(49,882)	(27,361)	(4,180)	0	0
Un-ringfenced Grants	(3,593)	(5,558)	(9,787)	(4,355)	(1,169)	(256)	0
Other Contributions	(985)	(526)	(87)	(831)	0	0	0
Capital Receipts	(6,667)	(4,714)	(3,751)	(2,900)	(2,600)	(2,600)	0
Prudential Borrowing	(47,337)	(23,983)	(33,039)	(13,600)	(6,974)	(3,116)	(1,592)
Revenue (HRA)	0	(250)	(2,990)	0	0	0	0
Revenue General Fund	(13)	(60)	(20)	0	0	0	0
Total Funding	**(81,791)**	**(70,535)**	**(99,556)**	**(46,047)**	**(14,923)**	**(5,972)**	**(1,592)**

1.3.3 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP).

Table 3: Replacement of prior years' debt finance

	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Minimum Revenue Provision (MRP)	13,028	14,640	15,957	18,223	18,915	19,657	20,233

1.2.5 The Authority's full Minimum Revenue Provision (MRP) statement forms part of this Appendix at Section 2.

1.2.6 The Authority's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, loans funds repayments and capital receipts used to replace debt. The CFR is expected to increase by £9.343m during 2025/26. Based on the above figures for expenditure and financing, the Authority's estimated CFR is shown in Table 6:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Capital Financing Requirement	559,839	569,182	586,263	581,640	569,700	553,158	534,517

1.2.7 Asset management: To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place.

1.2.8 Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Authority is currently also permitted to spend capital receipts "flexibly" on service transformation projects until 2030/31. Repayments of capital grants, loans and investments also generate capital receipts. The Authority anticipates it will receive £16.565m of capital receipts between 2025/26 and 2030/31.

Table 5: Budgeted Capital receipts

	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Capital Receipts	(6,667)	(4,714)	(3,751)	(2,900)	(2,600)	(2,600)	0

The Authority's Flexible Use of Capital Receipts Policy is included within Appendix 1 at Annex D.

1.4 Treasury Management

1.4.1 Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

1.4.2 Due to decisions taken in the past, the Authority currently has circa £252m (comprising £222m long-term borrowing and £30m of temporary borrowing), of which £227m was borrowed in previous years. There will be a requirement to arrange additional borrowing circa £14m to cover the year end position and the Authority will monitor this alongside advice provided by our external treasury advisors. The current average interest rate of borrowings is 4.15%. The current value of treasury investments is £57.735m at an average rate of 4.38%.

1.4.3 Borrowing strategy: The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

1.4.4 The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

1.4.5 Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the Capital Financing Requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Debt (incl. PFI & leases)	428,707	444,246	456,327	446,704	434,764	418,222	399,581
Capital Financing Requirement	559,839	569,182	586,263	581,640	569,700	553,158	534,517

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

1.4.7 Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20.000m at each year-end. This benchmark is currently £247m and is forecast to rise to its peak of £266m in 2026/27 and then gradually reduce to £241m over the remaining strategy period to 2030/2031.

Table 7: Borrowing and the Liability Benchmark

	31.3.2025 Outturn £000	31.3.2026 Estimate £000	31.3.2027 Estimate £000	31.3.2028 Estimate £000	31.3.2029 Estimate £000	31.3.2030 Estimate £000	31.3.2031 Estimate £000
Loans CFR	336,027	352,144	376,253	379,116	375,124	366,488	356,027
Less: Balance sheet resources	(148,795)	(124,936)	(129,936)	(134,936)	(134,936)	(134,936)	(134,936)
Net loans requirement	187,232	227,208	246,317	244,180	240,188	231,552	221,091
Plus: Liquidity allowance	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Liability benchmark	207,232	247,208	266,317	264,180	260,188	251,552	241,091

1.4.8 The table shows that the Authority expects to borrow in 2026/27 and 2027/28 to finance the capital programme and then borrowing will reduce in later years. This is because there is a proportion of the capital programme financed by Prudential Borrowing, which reduces in future years together with the repayment of MRP and an expected increase in balance sheet resources.

1.4.9 Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt

	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000	2029/30 Estimate £000	2030/31 Estimate £000
Operational Boundary						
Borrowing	365,000	375,000	395,000	400,000	395,000	385,000
Other Long Term Liabilities (inc PFI)	225,000	220,000	210,000	195,000	195,000	190,000
Total External Debt	**590,000**	**595,000**	**605,000**	**595,000**	**590,000**	**575,000**
Authorised Limit						
Borrowing	380,000	390,000	410,000	415,000	410,000	400,000
Other Long Term Liabilities inc PFI	228,500	223,500	213,500	208,500	198,500	193,500
Total Long Term Debt	**608,500**	**613,500**	**623,500**	**623,500**	**608,500**	**593,500**

- Further details on borrowing is within Sections 2.7 and 2.8 of the Council's Treasury Management Strategy

1.4.10 Treasury Investment Strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

1.4.11 The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury Management Investments

	31.3.2024 Outturn £000	31.3.2025 Estimate £000	31.3.2026 Estimate £000	31.3.2027 Estimate £000	31.3.2028 Estimate £000	31.3.2029 Estimate £000	31.3.2030 Estimate £000
Near-term investments							
Local Authorities	0	0	0	0	0	0	0
Money market funds	33,975	20,000	20,000	20,000	20,000	20,000	20,000
Longer-term investments							
Strategic pooled funds - CCLA Property	13,611	13,615	13,615	13,615	13,615	13,615	13,615
TOTAL	**47,586**	**33,615**	**33,615**	**33,615**	**33,615**	**33,615**	**33,615**

- Further details on treasury investments are within Section 2.7 of the Council's Treasury Management Strategy Statement 2026/27.

1.5 Commercial Activities

1.5.1 The Council does not hold any investment in commercial property purely for financial gain.

1.6 Risk management

1.6.1 The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

1.6.2 The treasury management prudential indicators are within Section 2.8 of the Council's Treasury Management Strategy 2026/27.

1.7 Governance

1.7.1 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and officers, who must act in line with the Treasury Management Strategy approved by Audit Committee. Quarterly reports on treasury management activity are presented to Audit Committee. The Audit Committee is responsible for scrutinising treasury management decisions.

1.8 Other Liabilities

1.8.1 The Council has set aside £14.699m provisions for potential liabilities.

1.8.2 Additionally, the Council has identified the following Contingent Liabilities as at 31 March 2025.

a) Stock Transfer Warranties
The Council agreed to a number of warranties under the stock transfer agreements with First Choice Homes Oldham (FCHO) and other housing providers. Such arrangements give rise to a possible obligation of the Council, which will be confirmed upon the occurrence or non-occurrence of the invocation of the warranties.

b) Historical Disputes
There are potential liabilities arising from an education premises where a former employee has been convicted of criminal offences. As some of these actions are at an early stage there is insufficient certainty about the potential implications and the amounts being claimed.

- Further details on liabilities and guarantees are within Note 26 and Note 28 of the 2024/2025 Draft Statement of Accounts.

1.9 Governance

1.9.1 Decisions on incurring new provisions are taken by Senior Officers in consultation with the Director of Finance (S151 Officer). The risk of liabilities crystallising and requiring payment is monitored by the Finance Service and reported as part of the Council's regular Budget Monitoring reports. Any liabilities or guarantees entered into which are anticipated to be over £0.250m will need to be reported to Council.

1.10 Revenue Budget Implications

1.10.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2024/25 Outturn £000	2025/26 Forecast £000	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000	2030/31 Budget £000
Financing costs	25,626	31,315	32,141	34,987	35,074	35,566	31,868
General Fund	315,520	325,486	367,259	389,499	410,841	440,386	449,860
Proportion of net revenue stream	8.12%	9.62%	8.75%	8.98%	8.54%	8.08%	7.08%

1.11 Sustainability

1.11.1 Due to the very long nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable.

1.12 Knowledge and Skills

1.12.1 The Authority employs professionally qualified and experienced staff in senior positions with responsibiity for making capital expenditure, borrowing and investment decisions. The Authority employes professionally qualified accountants and pays for junior staff to study towards relevant qualifications, including AAT and CIPFA.

1.12.2 Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employes Arlingclose Limited as its treasury management advisors. This approach is more cost effective than employing such staff directly, and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

2.0 Minimum Revenue Provision (MRP) Policy Statement 2026/27

2.1 Where the Authority funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance), most recently issued in April 2024.

2.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits.

2.3 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

2.4 For capital expenditure incurred before 1 April 2008, MRP will be determined on an annuity basis using the PWLB certainty rate at the date of the policy change (1 April 2024) assuming a remaining life of 42 years.

2.5 For capital expenditure incurred after 31 March 2008 and up to 31 March 2023, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset on an annuity basis using the PWLB certainty rate for the remaining asset life at the date of the policy change, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

2.6 For PFI assets where the asset passes to the Council at the end of the contract, or the Council continues to receive service benefit from the assets beyond the life of the contract, MRP will be determined over the remaining life of the assets on an annuity basis using the PWLB certainty rate for the remaining life at the time of the policy change.

2.7 For assets acquired by leases or the Private Finance Initiative (where the asset does not pass to the Council at the end of the contract or the Council does not receive service benefits beyond the life of the contract), MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

2.8 For capital expenditure loans to third parties, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

2.9 No MRP will be charged in respect of non- PFI assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

2.10 MRP on transferred debt is provided for on an annuity basis in line with schedules sent to the Council from the Lead authority administering the debt.

2.11 Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 or later.

2.12 Based on the Authority's estimated Capital Financing Requirement (CFR) at 31 March 2026, the estimated 2026/27 charges for MRP under the revised and previous MRP policies is shown below:

	31/03/2026 CFR (£000)	Estimated 2026/27 MRP (£000)
Pre -2008 Supported Borrowing	132,992	892
Asset Life MRP	218,446	8,082
Loans	9,677	0
PFI Schemes & Finance leases	217,011	7,022
Transferred Debt	22	6
HRA CFR	(8,966)	(45)
Total	**569,182**	**15,957**

3.0 Capital receipts

3.1 Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.

- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.

- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.