

CAPITAL PROGRAMME 2025/26

Head of Service:	Kevin Hanlon, Interim Chief Finance Officer
Report Author:	Vanessa Newton, Senior Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Proposed Capital Programme Appendix 2 – Capital Appraisal forms

Summary

This report summarises the proposed 2025/26 capital programme and a provisional programme for 2026/27 to 2029/30. The Committee's approval is sought for the programme to be submitted to Council in February 2025.

Recommendation (s)

The Committee is asked to:

- (1) Submit the capital programme for 2025/26 as identified in section 3 of this report to the Council for approval on 11 February 2025;**
- (2) Note the provisional forecast of schemes for the capital programme for 2026/27 to 2029/30.**

1 Reason for Recommendation

- 1.1 To seek the Committee's approval to submit the proposed capital programme for 2025/26 to Council in February 2025 and to inform of the schemes included in the provisional forecast for 2026/27 to 2029/30.

2 Background

- 2.1 The Capital Strategy was last agreed by Full Council on 13 February 2024 at which time the capital programme was approved for 2024/25. Schemes for 2025-2029 were provisional pending the annual budget review and an annual assessment of funds for capital investment.

Environment Committee

21 January 2025

- 2.2 The terms of reference for Financial Strategy Advisory Group (FSAG) include the preparation of the annual capital programme. In order to undertake this, FSAG assesses all capital proposals and recommends a programme for approval to the Policy Committees.
- 2.3 The programme assumed funding from capital receipts, revenue funding and government grants. The proposed level of investment for the 2025/26 programme is £1.664m, of which £475,000 is to be funded from a planned contribution from revenue. Combined with funding of £785,000 from the Disabled Facilities Grant, this leaves a balance of £404,000 to be funded from capital receipts should all schemes be recommended to progress.
- 2.4 One further scheme was recommended by FSAG but due to the urgent timescales for undertaking the works, this project was considered by Full Council on 10 December 2024. Full Council agreed a budget of £410,000 for the scheme which was for a second phase of replacement windows at Bourne Hall.
- 2.5 The estimated balance of capital receipts at 31 March 2025, assuming funding of the 2024/25 capital programme, and the £410,000 funding detailed in paragraph 2.4, is £1.965m. This balance would fall to £1.561m upon funding the schemes proposed by FSAG. The agreed minimum threshold of capital receipts is £1m. Once the balance drops to £1m, future capital programmes will need to be funded from grant, revenue contributions or borrowing.
- 2.6 The receipts forecast assumes a £475,000 revenue contribution to fund capital schemes in 2025/26, however this is subject to the revenue budget being approved at Council in February 2025.

3 Core Programme 2025/26

- 3.1 FSAG recommended that the following schemes should be considered by this Committee for inclusion in the capital programme in 2025/26, subject to the Committee approving the project appraisals.
- 3.2 The initial proposals considered by FSAG on 22 November 2024 to be funded from corporate capital resources amounted to £1.4m. In order to preserve a balance of £1m in the capital receipts reserve, some proposals were streamlined. Ashley Centre Car Park's proposal was originally £538,000 for new waterproof membranes to be applied to three levels. This has been reduced to £184,000 for Level one only. Renovation and surface renewals to four playgrounds were originally proposed at £330,000, this has now been reduced to one playground being Hardwick's yard at £40,000.

Environment Committee
21 January 2025

Capital Scheme	Proposed Budget 2025/26 £'000	Expected Funding Source
Stew Ponds Desilting	150	Corporate capital resources
Upper Pond Bank Replacement	150	Corporate capital resources
Ashley Centre Car Park Level 1 - New Waterproof membrane	184	Corporate capital resources
Court Recreation Ground Renewal of 3G Football Pitch	130	Corporate capital resources
Playground Renovation and Surface Renewal	40	Corporate capital resources
Total Environment Committee	654	

4 Provisional Forecast 2026/27 to 2029/30

- 4.1 FSAG also considered the provisional forecast for the subsequent four years, which has been compiled through drawing information from the Asset Management Plan for buildings and other known capital expenditure requirements.
- 4.2 The 2026/27 to 2029/30 provisional forecast for Environment Committee currently comprises the following sums, with individual schemes shown in Appendix 1:

Provisional Forecast	2026/ 27	2027 /28	2028/ 29	2029/ 30	Total
	£'000	£'000	£'000	£'000	£'000
Ashley Centre Multi Storey Car Park	510	0	60	50	620
Auriol Pavilion	0	0	0	375	375
Harrier Centre, King Georges field	208	0	0	105	313

Environment Committee

21 January 2025

Hook Road Multi Storey Car Park	0	143	398	68	609
Horton Country Park Public Conveniences	0	0	0	90	90
Total Environment Committee	718	143	458	688	2,007

- 4.3 The provisional forecast provides an illustration of the Council's anticipated capital expenditure need from 2026/27 to 2029/30 but is not an exhaustive list as future schemes may be identified through other workstreams such as the Climate Change Action Plan and Annual Plan cycle.
- 4.4 A greater reliance on external funding should be sought to fund capital schemes, however, if it cannot be secured, capital receipts or other alternative funding would be applied instead.
- 4.5 The Council expects to review its discretionary services in 2025/26. Should a property be impacted by these reviews or Council priorities change, capital works may be deferred until the outcome of reviews is known. Each year, the forthcoming annual programme will be reviewed by FSAG through the annual capital budget setting process with proposals assessed against the agreed criteria, and the programme updated accordingly.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 None for the purposes of this report.

5.2 Crime & Disorder

5.2.1 None for the purposes of this report.

5.3 Safeguarding

5.3.1 None for the purposes of this report.

5.4 Dependencies

5.4.1 The 2025/26 capital programme is dependent upon agreement of a planned £475k revenue contribution to fund the capital programme being considered by Full Council in February 2025 as part of the revenue budget for 2025/26.

Environment Committee

21 January 2025

5.5 Other

5.5.1 None for the purposes of this report.

6 Financial Implications

6.1 Officers in the Projects Team have scheduled sufficient capacity to deliver the recommended schemes next year.

6.2 **Section 151 Officer's comments:** All financial comments have been included within the body of the report.

7 Legal Implications

7.1 **Legal Officer's comments:** None for the purposes of this report

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.

8.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.

8.5 **Partnerships:** None for the purposes of this report.

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- [Initial Capital Proposals – 2025/26, Financial Strategy Advisory Group, 27 September 2024.](#)
- [Final Capital Proposals – 2025/26, Financial Strategy Advisory Group, 22 November 2024.](#)
- [Bourne Hall Windows Phase 2, Council, 10 December 2024.](#)
- Capital Strategy for agreement at Full Council in February 2025.