

<b>Classification</b>	<b>Item No.</b>
<b>Open</b>	

<b>Meeting:</b>	Cabinet
<b>Meeting date:</b>	23 February 2021
<b>Title of report:</b>	Capital Strategy 2021/22 – 2023/24 and Capital Programme 2021/22
<b>Report by:</b>	Leader of the Council and Cabinet Member for Finance and Growth
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Ward(s) to which report relates</b>	<b>All</b>

### Executive Summary:

- 1.1 In line with good practice, the Capital Strategy forms part of the council’s strategic and financial planning framework and provides a framework within which the Council’s capital investment plans will be delivered. The capital strategy 2021/22 – 2023/24 has been prepared to cover a 3-year period initially though it is expected that this will be extended to a 5-year time frame in line with the council’s medium term financial strategy. The current approach recognises the uncertainty, especially in relation to funding in future years.
- 1.2 The format of the Capital Strategy reflects the Prudential and Treasury Management Codes issued by CIPFA in 2017 which require councils to prepare a capital strategy and include specific information within it. The strategy therefore includes:
  - 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 sustainability
  - The proposed capital programme 2021/22 – 2023/24
  - Financing the capital programme
- 1.3 The Capital Strategy is prepared to ensure members are fully aware of the overall long term capital investment objectives, capital strategy requirements, governance arrangements and risk appetite. The strategy cannot be viewed in isolation and links directly to the medium-term financial strategy, the treasury management strategy, the school’s capital strategy, the ICT and digital strategies and the asset management plan.

## Recommendation(s)

### That Cabinet:

- **Approve the capital strategy 2021/22 – 2023/24;**
- **Approve the capital programme of £73.957m for 2021/22 and the associated funding arrangements;**
- **Note the indicative capital programme for 2022/23 and 2023/24 and that this will be subject to decision making in future years.**

## Key considerations

### 2 BACKGROUND

- 2.1 The Council is committed to an integrated approach that develops a capital programme to reflect the priorities with an organisation-wide approach rather than being determined by individual services. This approach aims to ensure our scarce resources are used in the most effective way and support our corporate priorities as set out in the proposed Bury 2030 strategy:
- A local, place-based approach to working with communities to improve social, environmental, health and economic outcomes
  - Harnessing the enterprise of local people and businesses to drive economic growth, and ensuring every resident has the opportunity to connect to the opportunity of this growth through their skills, networks and scope for meaningful work
  - A new collaborative approach to delivering together with communities, to share ownership of issues and opportunity and combine all resources
  - A strengths-based approach to public service delivery, to build on the resources people have to solve issues and target resources on the gaps rather than taking a deficit-based view

#### Capital Resources

- 2.2 When assessing the level of planned capital investment to undertake we make a judgement about the level of capital resources that are likely to be available over the period of the programme. Our main capital resources are service specific grants, third party contributions, capital receipts, lease finance and borrowing.
- 2.3 Historically the Capital Programme has not required any additional borrowing by the Council. This is no longer considered a sustainable position and borrowing is likely to be a key source of funding for new schemes in the future. There are revenue consequences of this as the Council must incorporate the associated borrowing and minimum revenue provision in its revenue budget. At the same time, the grant funding opportunities that are emerging from central government as part of the 'Levelling Up' programme as well as other opportunities including the UK Shared Prosperity Fund and the National Home Building Fund will provide some funding opportunities and these will be maximised as part of the overall approach. In developing the capital programme, any revenue costs needed to support potential borrowing have been identified and reflected in the Council's Medium Term Financial Strategy.
- 2.4 The new funds being made available by the Government are subject to competitive bidding rounds and to maximise the opportunity that these present, the Council

needs to ensure it has the required resources to develop these bids.

### **Central Government Allocations and External Grants and Contributions**

- 2.5 Some capital projects are financed through the allocations received directly from the Government Departments or external grants and contributions which are mostly specific to projects and cannot be used for other purposes. Examples of these would include the allocations for schools, highway maintenance or Disabled Facilities grants from Central Government.
- 2.6 Grants from external organisations are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of Capital developments in the past that would otherwise have been unable to progress.
- 2.7 The Council will continue to explore cost effective opportunities for grants from external bodies. However support through grants cannot be accurately predicted and therefore they Council recognises that it cannot depend on this source entirely. The Council will also ensure that exit strategies are prepared in the case of on-going projects funded through external support, in the event of the support being withdrawn.

### **Capital Receipts**

- 2.8 The Council generates capital resources through the sale of surplus land and buildings. The short to medium term asset sales are forecast to be minimal and as result, the ability of the Council to fund investment from within its own funding remains limited. Cabinet has approved an accelerated land disposal programme aimed at generated significant capital receipts for the Borough. The completion of the programme will generate c£8m of receipts over a 3-year period which can be used to support the Council's capital ambitions.
- 2.9 The Council will continue to pool both Housing and General Capital Receipts to reflect its commitment to a priority-led approach to the allocation of resources and continue to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or service areas. However, it does recognise that exceptionally there will be instances in which it will be necessary to earmark receipts to particular schemes and if earmarking is necessary then a report will be taken to the Cabinet for consideration of the specific circumstances.
- 2.10 From April 2016 the government introduced the flexibility for capital receipts to be used to fund revenue expenditure which meets certain criteria. The ability for councils to do this was extended in February 2021 when the final Local Government Finance Settlement was approved. To meet the qualifying criteria the revenue expenditure needs to relate to activity which is designed to generate ongoing revenue savings or to transform a service which results in revenue savings on improvements in the quality of service provision. Local authorities are only able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use the existing stock of capital receipts to finance the revenue costs of service reform. There are no proposals to use capital receipts to fund transformation at this stage though it is important that the option to do so is acknowledged.

### **Borrowing**

- 2.11 From 1 April 2004 authorities have had the discretion to borrow in line with the CIPFA Prudential Code which is known as 'Unsupported Borrowing' and outside the Government's control who will no longer support Authorities with a provision in the Revenue Budget to meet the capital financing costs that arise from this level of borrowing.

- 2.12 The Council can make use of the opportunity for the Prudential Borrowing where it is most cost effective and as long as its capital investment plans are affordable, sustainable and prudent. It hence makes a choice on whether revenue resources are used to fund direct service delivery or reserved to finance costs of borrowing for capital investment.
- 2.13 The Council will consider the use of unsupported borrowing in two particular circumstances:
- Discretionary unsupported Schemes – where individual services can meet the full borrowing, and other revenue, costs from within existing resources and where the related expenditure meets with Council ambitions/priorities and would not be able to proceed through and other funding source. Any such schemes must be specifically approved by the Cabinet or Council and be supported by a detailed Business Case.
  - Invest to Save schemes – where pump priming assistance is required but overall, costs are met from additional revenue/capital income or savings generated by the scheme. Pump priming can be funded from unsupported borrowing or from slippage/internal resources. Again, the specific approval of the executive will be needed before any such schemes proceed.
  - Strategic Investment – Where strategic investment to support the Borough's economy is required, subject to a detailed business case.

### **Revenue Contributions and Reserves**

- 2.14 The Council can also use revenue resources to fund capital projects, although revenue budgets have come under increased pressure over recent years and the ability to use revenue is restricted. The proposed capital programme requires borrowing and the cost of borrowing to support the 2021/22 has been factored into the 2020/21 and 2022/23 budget. Any requirements beyond this will need to be factored into the MTFs. The Council may also finance some capital schemes from reserves such as S106 set asides.

### **Lease financing**

- 2.15 The Council has traditionally used funding by way of leases to mainly acquire or use vehicles and grounds maintenance equipment where the revenue budget did not allow for a full capital repayment and there was a robust business case for the option of leasing to be considered.
- 2.16 By 2022 the Council will need to replace all of its vehicles and equipment held currently on operational leases and a strategy to cover replacement was agreed as part of the 2020/21 capital programme the phasing of which is over several financial years. The replacement strategy has been approved by Cabinet and is currently being implemented.

## **3 CAPITAL SPEND PROPOSALS**

- 3.1 The Council's capital programme 2021/22 – 2023/24 is set out at Appendix 1. The proposed programme takes account of the latest monitoring position on the 2020/21 capital programme including any identified rephasing that has been agreed for carry forward into the 2021/22 financial year. It should be noted that there could be more re-phasing and this will be reported as part of the out-turn position that will be reported to future Cabinet. Any further re-phasing will be added to the programme at that time. A number of new schemes reflecting the Council's priorities are proposed and are included in the draft programme.
- 3.2 The proposed capital programme is focused on some main themes that align to the

Councils objectives and outcomes including:

- Regeneration of key areas within the borough
- Strategic Investment to support economic growth
- Sport and Leisure
- Operational Fleet
- Housing
- Highways
- Children and Young People, including schools
- ICT and Digital
- Carbon Neutrality
- Estate Management

3.3 The key areas of investment proposed for 2021/22 are:

#### **Existing Commitments**

- **Replacement of the vehicle fleet.** This is the continuation of the programme that was agreed as part of the 2020/21 capital programme. A vehicle replacement strategy was approved by Cabinet in July 2020 and the procurement of the vehicles is anticipated to take place over a 3-year period. A total of £10m was approved in 202/21 and have been phased over 3 financial years.
- **Highways** Continued investment in highways services and is a phasing of the works that have previously been approved. A Highways Strategy was approved by Cabinet in September and showed that the funds available would be spent over 3 financial years. The draft capital programme reflects the agreed Highways Strategy.
- **Cycle Ways** The council has been provided with grant from the Greater Manchester Combined Authority to support greater use of cycle ways and to promote greater use. The funds have been phased to take account of the anticipated expenditure profile.
- **Education and Schools** Anticipated grant income for schools related expenditure has been assumed for the funding that is known. Capital allocations are still awaited and will be reflected in the strategy as and when the information becomes available.
- **Sports and Leisure** Investment in external sites, including parks, as well as leisure centre is assumed within the capital programme to promote healthier lifestyles and wellbeing. Some of the schemes are grant funded. A parks strategy (Phase 1) was approved by Cabinet in December 2020.
- **Housing** Use of the housing revenue account to promote housing growth has been assumed, all of which will be funded from within the HRA. The Council has also approved use of its own funding to develop the potential of 5 strategic sites and has also been awarded some Brownfield Land Fund grant which has been built into the 2020/21 capital programme.

#### **New Schemes**

- **Regeneration** A significant amount of regeneration works has been assumed covering all major sites and areas across the council. This work includes funding brought forward from the 2019/20 financial year. In addition to this, the Council has committed to the Radcliffe Generation Strategic Framework which requires significant funding over a 3-year period. This is likely to total £30m phased over 3 years. Separate governance arrangements

including a Committee has been set up to oversee the Radcliffe SRF. Other key areas of generation across the borough include Prestwich Town Centre and the Bury Town Centre Masterplan..

- **Regeneration Investment Fund** there is a need to introduce an investment fund which essentially will be utilised to pump prime some investments in the regeneration areas but will be replenished as and when sites are disposed of in the future. A proposed framework for the investment fund is attached at Appendix 2 and any requests for use of the fund will be subject to appropriate financial and non-financial due diligence. A total of £6m for the investment fund has been requested. The fund will be used to support regeneration across the whole of the borough.
- **Housing Revenue Account** The continuation of the 3-year investment in properties £9.8m is assumed to maintain the housing stock and meet statutory compliance requirements. This will be met from the HRA.
- **Fernhill Gypsy and Traveller Site** The Council has previously approved investment in the site, some of which will be funded from a Homes England grant. Until final confirmation is received for the grant, an allocation of £2m has been assumed in the programme.
- **Muslim Burial Site Extension** Funding of £50,000 will be used to extend the existing site and carry out some other works including new pathways and fencing.
- **Clarence Park Skate Park** One-off funding of £150,000 to fund a new skate park at Clarence Park.
- **Barnfield Park Community Based Project** One-off funding to provide a central base office for City of Trees to support tree planting and tree management and to improve the depot, greenhouse and office facilities. The project is aimed at delivering a wider community support project regarding environmental awareness and training.
- **Parks and Green Space Strategy** This is a continuation of the Parks and Green Space Strategy that was approved by Cabinet in November 2020.
- **Essential Health and safety Works** This includes works in the leisure centres, Town Hall and across the wider property estate.
- **Sustainable Tennis Strategy** Redevelopment of the Borough's tennis courts.
- **Bury Athletics Track** Improvements to the track for delivery in 2022/23 subject to external funding.
- **Radcliffe 3G** Match funding for a Football Federation grant bid. Anticipated deliver 2022/23.
- **Springwater Park and Flood Protection measures** Remedial work to address landslip and other damage within the parks as a result of recent storms.
- **Public Rights of Way** Improvement in public rights of way.
- **Road Safety Schemes**

3.4 Total budget in 2021/22 is planned at £73.957m however the position is likely to

evolve as:

- There may be further government funding allocations announce prior to the start of the 2021/22 financial year particularly in relation to schools and the carbon neutral agenda;
- It is likely that new initiatives will be announced later in the financial year;
- There may be the opportunity to bid for additional funding, i.e. through the recently announced 'Levelling Up' fund;
- The council may identify other funding sources, including capital receipts, to finance additional capital expenditure;
- Phasing of the expenditure as more detailed implementation plane evolve.

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

3.6 In recent years the programme was based on fully funded schemes and a reduced call on Council's own resources through prioritisation methods that are under continuous development. This is no longer considered sustainable in light of the pressures on the council's finances and reduced reserves. Within the proposals is a requirement to fund £20m of investment through borrowing. In recognition of this, a total of £2m capital financing costs has been built into the revenue budget from 2020/21 onwards.

#### 4 Funding the Capital Programme

4.1 The Council must ensure that appropriate funding arrangement are in place and this is monitored as part of the Treasury Management arrangements and reported to Cabinet on a quarterly basis. It is proposed that the new schemes be funded through borrowing and the borrowing costs have been reflected in the Council's medium term financial strategy. No funding assumptions for schemes beyond 2021/22 have been made.

4.2 The proposed funding arrangements for the draft capital programme are set out in Table 1.

**Table 1**

<b>Financing the Capital Programme 2021/22 – 2023/24</b>				
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>TOTAL</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Gross Cost</b>	<b>74.157</b>	<b>43.472</b>	<b>43.472</b>	<b>161.101</b>
<b>Financed By:</b>				
Grants/External Funding	12.347	0.000	0.000	<b>12.347</b>
HRA Headroom Reserve	13.031	12.972	12.972	<b>38.975</b>
Capital Receipts Reserve	0.290	0.000	0.000	<b>0.290</b>
Prudential Borrowing	48.289	28.885	28.500	<b>105.674</b>
<b>TOTAL</b>	<b>73.957</b>	<b>41.857</b>	<b>41.472</b>	<b>157.286</b>

4.3 It is clear that there is reliance on a significant amount of borrowing in future years. The affordability of such borrowing will be subject to consideration at the point at which the budget for that financial year is set. The Council will however work to ensure that the level of borrowing required is reduced as much as possible and that we maximise the use of capital receipts, grant and other external income.

#### 5 PRIORITISING, MANAGING, MONITORING, REPORTING AND EVALUATING THE CAPITAL PROGRAMME

##### Prioritising Capital Resources

- 5.1 It has been long demonstrated that the demands for capital investment tend to exceed available resources. To alleviate this, a robust mechanism is in place to assess schemes against key criteria and assist in decision prioritisation for use of capital resources.
- 5.2 New capital gateway processes were introduced in 2020/21 and are clustered on a thematic basis – Housing, Regeneration and Infrastructure; Children and Young People, Schools and Health and Wellbeing; ICT. It is anticipated that the thematic approach will support a cross Council approach and will remove the current silo working. The significant amount of work undertaken in 2020/21 has provided much greater transparency and understanding of the existing programme and is already proving beneficial in support more strategic discussions and developing much stronger links with the revenue strategy.
- 5.3 The scrutiny of capital schemes proposed will take place through the Gateway Groups and through the newly established Capital Board. Gateway processes to monitor, review and approve at each stage of the process have also been agreed and introduced.
- 5.4 The Council has in place a comprehensive capital bidding mechanism through which information on the strategic fit, partnership working, revenue consequences, funding profile, statutory drivers and critical success factors are collected for all schemes. The capital bidding mechanism ensures that new capital projects are appraised on a consistent basis and are aligned with the priorities set out in the Bury 2030 Strategy.
- 5.5 Preparation of the Capital Programme is undertaken in two stages. Firstly, scheme bids are placed into the following categories:
- 100% funded schemes
  - Discretionary schemes (Invest to Save and Strategic Investment)
  - Discretionary schemes to support priorities and outcomes
- 5.6 In line with the priority-led approach previously approved by Executive it is assumed that Members will wish to support the inclusion of schemes that fall into the first category, although this assumption is tested regularly and Members are free to exercise discretion over the inclusion of any scheme (or scheme funding).
- 5.7 The second stage involves assessing the extent of any resources that are available to fund new, discretionary schemes and then using a simple quantifiable scoring model that assesses the extent to which schemes reflect our priorities, generate revenue savings/costs and lever in additional external resources.
- 5.8 The Council's priorities form the framework for the prioritisation of capital investment for the Capital Programme. By using this prioritisation process on an annual basis to decide the Capital programme for the following year, it allows the review of the whole 3 year rolling capital programme. This review of schemes allows the addition, withdrawal or deferral of capital investment resulting ensuring available capital resources are focused on corporate priorities.
- 5.9 Reviewing the Capital Programme is an on-going process and in the past several years available resources have been reducing constantly due to new identified funding requirements and a slowdown in available suitable for disposal surplus assets. A full review of the capital programme has been carried out which has provided greater insight and transparency of the programme. This means that the Council can be more effective in its monitoring and scrutiny.
- 5.10 Delivery of the capital programme and ensuring that sufficient resources are available is key to the success of the programme. As part of the gateway process, resource requirements including specialist support will be assessed.

## **6 Monitoring and Reporting on the Capital Programme**

- 6.1 The Capital Programme is monitored regularly throughout the year by the Gateway groups, the Capital Board and is reported to Cabinet on a quarterly basis. This report presents detail of spend, potential re-profiling of the programme and any significant changes in funding assumptions, especially the level of asset disposals which are always critical for the delivery of the Capital Programme. An enhanced focus on funding of the capital programme is to be introduced in particular capital receipts and to ensure that all funding is received.

## **7 RISK MANAGEMENT**

- 8.1 There are some inherent risks in the Capital Strategy recommended above:
- Capital receipts are not realised to the level anticipated above. This is a major risk and is one that has impacted on past programmes. To maintain this low risk it is strongly recommended that schemes reliant on capital receipts do not begin until there is a high degree of certainty that the relevant receipt will materialise.
  - Future rise in Interest Rates. Planning for Prudential Borrowing can be affected by rises in interest rates making the borrowing option less attractive as a funding option and putting at risk longer term large capital schemes.
  - Schemes need re-phasing from one year to the next. This is considered a normal feature of capital schemes and can occur for a large number of reasons. The risk can be mitigated by re-profiling corresponding resources between years and is not felt to be high. It is expected that the new Capital Gateway processes will improve the profiling of expenditure and also the delivery of schemes in line with expectations.
  - Scheme costs increase. Whilst not unusual, increased costs that can occur due to a number of factors cannot be mitigated without an impact on other schemes within the Programme or an impact on future years' resources. The risk can be reduced by the use of sound costing techniques, effective project management and monitoring schemes using a risk assessment approach.
  - Delivery of the programme and ensuring sufficient capacity is available is a risk. As part of the new gateway processes, resource requirements for delivery will be fully assessed and incorporated in the detailed plans. This will include ensuring appropriate specialist skills and requirements are identified and that arrangements are in place for these to be sourced.
  - Government grant funding is needed to deliver the whole of the Council's aspirations and if funding is to be secured the longer term ambitions and delivery of the capital programme will be affected. The funding of the programme is continually assessed.

## **Community impact / Contribution to the Bury 2030 Strategy**

Delivery of the Bury 2030 strategy is dependent on resources being available. The delivery of the strategy may be impacted by changes in funding and spending.

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## **Equality Impact and considerations:**

24. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

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## **Assessment of Risk:**

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>
<p>The Council's capital resources aren't managed effectively.</p> <p>The Council's capital resources aren't targeted to priorities and outcomes and the benefit of the investment across the Borough is not maximised.</p>	<p>The capital programme and the gateway process ensures that all available resources are identified and that, where borrowing is required, the costs are reflected in the Council's revenue strategy. The approach ensures that schemes can be developed and prioritised throughout the year and that appropriate monitoring arrangements are in place.</p>

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## **Consultation:**

Overview and Scrutiny Committee has been consulted as part of the process for setting the capital programme.

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## **Legal Implications:**

The Council has a legal obligation to set a balanced budget and the capital considerations form part of that process.

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## **Financial Implications:**

The cost of the new schemes to the Council is £20m and will be met from borrowing. A total

of £2m has been reflected in the Council's revenue budget for this. The Housing option will be met from the Housing Revenue Account and there is sufficient funding for this. Consideration of the longer term requests relating to the Radcliffe SRF will need to be considered in the context of the MTFs. There is an opportunity to reduce the level of borrowing through the generation of capital receipts. These have not yet been factored into the plans but would be a 'first call to reduce borrowing requirements. The position for future years is only indicative and are subject to future decision making at which point the financial implications will be considered alongside the revenue budget.

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## **Report Author and Contact Details:**

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## **Background papers:**

The Council's Financial Position as at 30 September 2020

Revenue Budget 2020/21 and Medium-Term Financial Strategy

2020/21 – 2024/25 Capital Strategy and Capital Programme

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning

Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24							
	Slippage brought forward	Prior Year Commitments	New schemes 2021/22	Total Cost	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
<b>Regeneration and Economic Growth</b>							
Radcliffe	1.484	0.000	16.000	17.484	17.484	10.000	10.000
Prestwich	0.075	0.000	0.000	0.075	0.075	5.000	6.000
Ramsbottom	0.300	0.000	0.000	0.300	0.300	0.000	0.000
Bury	0.080	0.000	0.000	0.080	0.080	11.000	11.000
Commercial Sites Regeneration	0.400	0.000	0.000	0.400	0.400	0.000	0.000
<b>Sub Total</b>	<b>2.339</b>	<b>0.000</b>	<b>16.000</b>	<b>18.339</b>	<b>18.339</b>	<b>26.000</b>	<b>26.000</b>
<b>Place Shaping/Growth</b>	<b>0.898</b>	<b>0.000</b>	<b>0.000</b>	<b>0.898</b>	<b>0.898</b>	<b>0.000</b>	<b>0.000</b>
<b>Sports and Leisure</b>							
Existing Schemes	0.896	0.000	0.000	0.896	0.896	0.000	0.000
Barnfield Park Community Based Project	0.000	0.000	0.050	0.050	0.050	0.050	0.000
Clarence Park Skate Park	0.000	0.000	0.150	0.150	0.150	0.000	0.000
Parks and Green Space Strategy	0.000	0.000	0.300	0.300	0.300	0.000	0.000
Leisure Centres Heath and Safety	0.000	0.000	0.100	0.100	0.100	0.000	0.000
Sustainable Tennis Strategy	0.000	0.000	0.200	0.200	0.200	0.000	0.000
Bury Athletics Track	0.000	0.000	0.000	0.000	0.000	0.100	0.000
Radcliffe 3 G Pitch	0.000	0.000	0.000	0.000	0.000	0.100	0.000
Play Area Strategy	0.000	0.000	0.205	0.205	0.205	0.045	0.000
<b>Sub Total</b>	<b>0.896</b>	<b>0.000</b>	<b>1.005</b>	<b>1.901</b>	<b>1.901</b>	<b>0.295</b>	<b>0.000</b>

**Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24**

	Slippage brought forward	Prior Year Commitments	New schemes 2021/22	Total Cost	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m	£m
<b>Operational Fleet</b>	<b>4.430</b>	<b>3.000</b>	<b>0.000</b>	<b>7.430</b>	<b>7.430</b>	<b>0.000</b>	<b>0.000</b>
<b>ICT and Digital</b>	<b>3.841</b>	<b>1.200</b>	<b>0.000</b>	<b>5.041</b>	<b>5.041</b>	<b>2.500</b>	<b>2.500</b>
<b>Highways</b>							
Cycle and Walking Routes	0.025	0.000	0.000	0.025	0.025	0.000	0.000
Highways	6.269	3.500	0.000	9.769	9.769	0.000	0.000
Street Lighting	0.028	3.000	0.000	3.028	3.028	0.000	0.000
Traffic Calming and Improvement	0.120	0.000	0.000	0.120	0.120	0.000	0.000
Pothole Fund	0.688	0.000	0.000	0.688	0.688	0.000	0.000
Other	0.262	0.000	0.000	0.262	0.262	0.000	0.000
Public Rights of Way	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Road Safety Schemes	0.000	0.000	0.050	0.050	0.050	0.000	0.000
<b>Sub Total</b>	<b>7.392</b>	<b>6.500</b>	<b>0.100</b>	<b>13.992</b>	<b>13.992</b>	<b>0.000</b>	<b>0.000</b>
<b>Children and Young People</b>	<b>8.588</b>	<b>0.000</b>	<b>0.000</b>	<b>8.588</b>	<b>8.588</b>	<b>0.000</b>	<b>0.000</b>
<b>Estate Management – Investment Estate</b>	<b>0.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.200</b>	<b>0.200</b>	<b>0.000</b>	<b>0.000</b>
<b>Estate Management – Corporate Landlord</b>							
Fernhill Gypsy and Traveller Site	0.360	0.000	2.400	2.760	2.760	0.000	0.000
Existing Schemes	0.515	0.000	0.000	0.515	0.515	0.000	0.000

**Capital Programme 2021/22 and Indicative Programme 2022/23 – 2023/24**

	<b>Slippage brought forward</b>	<b>Prior Year Commitments</b>	<b>New schemes 2021/22</b>	<b>Total Cost</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Muslim Burial Site Extension	0.000	0.000	0.050	0.050	0.050	0.000	0.000
Health and Safety Works	0.000	0.000	0.410	0.410	0.410	0.040	0.000
Springwater Park Landslip	0.000	0.000	0.185	0.185	0.185	0.050	0.000
Parks – Flood Protection	0.000	0.000	0.050	0.050	0.050	0.000	0.000
<b>Sub Total</b>	<b>0.875</b>	<b>0.000</b>	<b>3.095</b>	<b>3.970</b>	<b>3.970</b>	<b>0.090</b>	<b>0.000</b>
<b>Communities and Wellbeing</b>							
Older People	0.305	0.000	0.000	0.305	0.305	0.000	0.000
Disabled Facilities Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.030	0.000	0.000	0.030	0.030	0.000	0.000
<b>Sub Total</b>	<b>0.335</b>	<b>0.000</b>	<b>0.000</b>	<b>0.335</b>	<b>0.335</b>	<b>0.000</b>	<b>0.000</b>
<b>Housing Public Sector</b>							
Housing Revenue Account	3.094	0.000	9.830	12.924	12.924	9.830	9.830
Hosing Revenue Account - Decarbonisation	0.000	0.000	0.000	0.000	0.000	3.142	3.142
HRA – Disabled Facilities Grant	0.107	0.000	0.000	0.107	0.107	0.000	0.000
<b>Sub Total</b>	<b>3.201</b>	<b>0.000</b>	<b>9.830</b>	<b>13.031</b>	<b>13.031</b>	<b>12.972</b>	<b>12.972</b>
<b>Climate Change</b>	<b>0.232</b>	<b>0.000</b>	<b>0.000</b>	<b>0.232</b>	<b>0.232</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL</b>	<b>33.227</b>	<b>10.700</b>	<b>30.030</b>	<b>73.957</b>	<b>73.957</b>	<b>41.857</b>	<b>41.472</b>

### **Borough Wide Investment Fund**

#### **Introduction**

Over the past months, the Council has taken great strides in developing a new and comprehensive approach to re-positioning Radcliffe Town Centre by strengthening its functionality and destination role; widening and deepening its business, amenity and employment base; creating new housing markets particularly for young people to live and work; and improving the access of public services to residents. This analysis takes the form of a single place framework for change - the Radcliffe SRF - which will guide interventions and investment activity over the long term and following extensive consultation with residents and stakeholders has been endorsed by the Council.

The SRF will become a fundamental part of a Borough-wide economic recovery plan positioning the Radcliffe area in the best possible way to capture its full share of available sub-regional and national public resources in the future as well as maximising private investment opportunities.

The Council has introduced new governance arrangements to promote democratic oversight over the Town Centre and a new delivery board to prepare a comprehensive project plan and to bring forward proposals for implementation. At the heart of these arrangements is a Programme Management Office which is responsible for the day to day management of the process.

One of the identified outcomes which these arrangements have been mandated to deliver is the production of an Outline Business Case which evaluates key shorter-term interventions which are considered essential to create the momentum for physical and economic change.

Whilst the principle of the fund has been developed as part of the Radcliffe SRF proposals, it is recognised that a fund that supports the wider borough is needed and therefore the proposed approach reflects a Borough wide fund.

#### **Why an Investment Fund?**

The Investment Fund will:

- Provide a structured and disciplined approach to investment decisions which link decisions to outcomes and projects to a place-based framework and will form part of the management and monitoring arrangements.
- Promote a culture of success by addressing measurable outcomes including returns and the importance of re-cycling thus maximising the value of every £ which is spent - this can be compared with grant where every £ is spent only once.
- Facilitate third party funding (whether public or private) and advancement of the regeneration programme in the quickest possible time - equally by having the capability to act quickly at the start of the regeneration process a Fund can protect long term value which may only be attributable to longer term public investment.
- Support a Council commitment to the long-term future of the Town Centres with the potential to deliver match funding to leverage other public sector programmes.

The Fund is not a platform for investment outside the Town Centres. The Fund will be geared to “additionality” making the interventions which are considered essential to long term transformation and change within the Town Centres.

#### **How is Additionality Measured?**

The Fund will be linked to measurable outcomes wherever appropriate as follows:

- Employment retention and creation including local employment.
- Expansion and diversification of the business base.
- Place Creation - functionality and resilience (e.g. digital), new amenities and destination facilities, public realm and safety, additional visitors and spend in the local economy.
- Housing - widening the offer with young people at the heart of the change.
- Improved access to public services supporting resident engagement and wellbeing.
- Enhanced or accelerated business rates.
- Committed or planned leveraged investment from third parties.

All investment proposals will need to demonstrate their relationship to some or all of these outcomes with clear quantified analyses produced to underpin them.

This would underpin value for money and crucially the connection of investment proposals to the place-based framework provided by the SRF.

### **How should Rate of Return be calculated?**

The capacity to create a re-cycling capability is of course linked to return - it is considered that only in exceptional circumstances should planned investments be undertaken for a return less than 5% the minimum necessary to support re-cycling. This is the minimum return associated with the Evergreen Fund which has operated successfully in GM since 2011.

This strategy needs to be tested against the Outline Business Case for the Town Centre and how return should be measured for the different interventions – e.g. facilitating development through land acquisition, supporting the funding of development through equity or debt finance, where, if at all, enhanced business rates should be accounted for and how delivery can be promoted through joint ventures with public and private partners, including the potentially valuable partnerships which may be possible with the GM Investment Fund Team, which oversees an increasingly diverse mix of investment instruments, which are of relevance to the long term future of the Town Centre.

### **How should the Fund be administered?**

The Investment Fund will be administered by the Council's S 151 Officer. Investment decisions should only be made by Cabinet on the basis of a Business Case which has been produced for each proposal which explains:

- a) The strategic fit with the SRF.
- b) Measurable and quantifiable outcomes linked to the additionality requirements shown above.
- c) Measurable returns directly from the investment itself or indirectly through enhanced or accelerated business rates.

Robust decision-making is often characterised by an independent scrutiny of Business Plans by retained specialist consultants and this approach will form part of the process where necessary.