

Report to:	Cabinet		
Date of meeting:	05 February 2024		
Report of:	Lee Fallows, Director of Corporate Resources	Report Number:	33717
Reporting Officer:	Tony Glennon, Borough Treasurer		
Contact Officer:	Graeme Wilson		
Report title:	Corporate Capital and One-off funding 2024-2027		
<p><u>CONFIDENTIALITY</u></p> <p><u>Non- confidential</u></p> <p>This report does not contain information which means it should be considered without the press or members of the public being present.</p>			
Purpose:	To propose a Capital Strategy, Corporate Capital and Revenue Programme, a Minimum Revenue Provision (MRP) Policy and Capital Prudential Indicators for the next three years.		
<u>Recommendations:</u>	<p>Cabinet is recommended to approve:</p> <ul style="list-style-type: none"> • The Capital Strategy for 2024-2027 in Appendix 1 • The Corporate Programme (Capital and Revenue one-off schemes) for 2024-27 in Appendix 2 • The MRP Policy as set out in section 3.4 • The Capital Prudential Indicators as set out in section 3.5 		
<u>Decision:</u>			
<u>Background documents:</u>			
<u>Signed:</u>		Monitoring Officer	
<u>Date:</u>			

<u>Consultation with other officers</u>			
Finance	Yes	25/01/2024	Tony Glennon
Legal	No	Date	Insert name
HR	No	Date	Insert name
Procurement	No	Date	Insert name
Climate Change	No	Date	Insert name
Information Governance	No	Date	Insert name
Equality Impact Assessment	No	Date	Insert name
Post consultation reports Please confirm that the consultation response has been taken into consideration in making the recommendations.			Y/N N/A
Vision outcomes Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.			<u>1. Start Well</u> <input checked="" type="checkbox"/>
			<u>2. Live Well</u> <input checked="" type="checkbox"/>
			<u>3. Age Well</u> <input checked="" type="checkbox"/>
			<u>4. Prosperous</u> <input checked="" type="checkbox"/>
			<u>5. Clean and Green</u> <input checked="" type="checkbox"/>
			<u>6. Strong and Distinctive</u> <input checked="" type="checkbox"/>

1 INTRODUCTION & BACKGROUND

- 1.1 On 15th February 2023 Council approved the capital programme for financial year 2023/24. The report set out the capital proposals and resources for the year and compared the likely capital resources available. The report detailed the capital programme which met the above requirements and was consistent with the proposed revenue budget. This report provides an update to the 2023/24 capital programme and future programme to 2026/27.
- 1.2 The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.
- 1.3 The Capital Strategy 2024-2027 can be found at Appendix 1.

2 ISSUES

- 2.1 Since 2019/20 CIPFA's Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

3 REPORT DETAILS

3.1 CAPITAL OVERVIEW

- 3.1.1 The significant reductions in the Council's revenue budget have meant that the maximisation of capital funding has become a vital part of ensuring the Council can continue to pursue its key objectives. In recent years, capital monies have been allocated to support the strategic road network across the Borough and to enable developments in the town centre.

- 3.1.2 The table below outlines the current funding position for 2023/24 onwards:

	Current Capital Programme 2023-2027
	£m
Corporate Supported Borrowing	41.3
Corporate Revenue	3.1
Corporate Capital Receipts	9.3
Service Supported Borrowing	0.3
Service Revenue	29.4
Government Grants	91.1
Other Contributions	25.2
Total	199.7

3.2 OBSERVATIONS

- 3.2.1 Additional expenditure may be possible in the course of the year if sponsoring services identify additional sources of finance or obtain grant support.
- 3.2.2 The Capital programme only includes schemes which have started or will start in 2023/24 plus those annual rolling programmes funded from external resources such as schools. The detailed

programme in subsequent years will need to be considered as part of the overall budget process for these years.

3.2.3 The Council estimates it will have £153m of reserves at the end of 2023/24. Of this total, £67m is held specifically for capital schemes to fund projects such as the Schools Expansion programme.

3.3 VAT

3.3.1 As part of the appraisal of the capital programme the proposals have been assessed for their anticipated impact on the Council's VAT recovery position.

3.3.2 Full VAT recovery is only permitted where less than 5% of VAT recovered relates to activities which are exempt from VAT (largely land transactions, paid for Education, Markets and Cremation). Where the 5% limit is exceeded no VAT recovery on VAT Exempt Activity is permitted unless the 7 year average is below 5%.

3.3.3 If the proposed programme is approved the exempt input tax proportion is estimated as follows:

	%
2023/24	4.12
2024/25	1.64
2025/26	1.78
2026/27	1.83

3.3.4 The detailed calculations are set out in Appendix 3. The exempt input tax proportion is forecast to peak at 4.12% in 2023/24 before reducing and the 7 year average is 2.96%, therefore the Council remains within the HMRC limits.

3.3.5 Full VAT recovery is projected in each of the years however there is little margin to accommodate scheme slippage. Due to the reduction in resources generally there is a greater degree of uncertainty about the total value of VAT to be recovered and thus the value of VAT exempt schemes which can be accommodated. It is also possible that VAT regulations will change.

3.3.6 In land and property development schemes it is possible to take schemes out of the Exempt VAT calculation by "Opting to tax" i.e. charging VAT voluntarily. This can mean we don't go above the 5% limit. However, there are instances where options to tax are rendered invalid for example where the future use of the property is for residential or educational purposes. Opting to tax may make sites less attractive to some purchasers.

3.3.7 It is important that input tax totals and expenditure projections are closely monitored. Where additional expenditure is identified, it may be necessary to opt to tax on that or another scheme.

3.4 MINIMUM REVENUE PROVISION

3.4.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2003/3146) took effect from 31st March 2008. They require the basis on which the Minimum Revenue Provision (MRP) is calculated for future years to be approved by Council. This is the amount Councils are required to set aside for debt repayment each year.

3.4.2 General Fund Borrowing that was previously supported through the RSG system will be provided for in equal annual instalments over a 50 year period commencing 1st April 2015. As at 1st April 2023, the value of this borrowing equalled £126.9m and results in an equal annual minimum revenue provision of £3.022m over the remaining 42 years, the final instalment of which will be provided for by no later than 31 March 2065. For non-Housing schemes financed from unsupported borrowing,

from 1st April 2008 MRP will be made for repayment equal to the estimated depreciation charge on those assets calculated on an equal instalment basis, calculated in accordance with normal accounting practice.

- 3.4.3 In instances where the Council incurs borrowing in order to lend funds to a third party, in accordance with the revised guidelines issued by the Secretary of State, MRP is required to be provided over the useful life of the asset created. In certain instances and after undertaking comprehensive due diligence, if the Borough Treasurer is satisfied that any agreed repayment date will be met, the guidance will be reviewed and, if appropriate, no MRP will be set-aside. Annually the Council will undertake a financial assessment of the third parties' ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.
- 3.4.4 Work is being undertaken to implement International Financial Reporting Standard (IFRS) 16, which will come into effect from 1 April 2024 and will result in operating leases and similar instruments coming onto the balance sheet. Similar to PFI and finance lease liabilities, the MRP associated with each of these instruments will be charged on an annual basis through the breakdown of the lease charge.

3.5 CAPITAL PRUDENTIAL INDICATORS

- 3.5.1 Prudential Indicators seek to provide measures of affordability and prudence reflecting Capital Expenditure, Debt and Treasury Management. Debt and Treasury Management indicators are addressed in the Treasury Management and Investment Strategy 2024/25.
- 3.5.2 Borrowing requirements for capital purposes are shown as a trend; these reflect capital expenditure and financing plans. The financing costs are reflected in the Medium-Term Financial Strategy.
- 3.5.3 Capital expenditure profiles reflect current business plans. They are the aggregate expenditure figures from all sources of finance (borrowing, grants, capital receipts and revenue). The capital financing requirement demonstrates the impact of borrowing to meet capital expenditure plan net of provisions for debt repayment.

	Revised 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Affordability				
Ratio of financing costs to net revenue stream - General Fund	3.72%	3.72%	3.76%	3.70%
Capital Expenditure and Capital Financing				
General Fund Capital Expenditure per Appendix 2 (£m)	£95.1m	£82.6m	£20m	£2m
Capital Financing Requirement (£m)	£264.4m	£263.3m	£262.2m	£261.1m

4 IMPACTS AND IMPLICATIONS

4.1 Financial

4.1.1 See above.

4.2 Legal

4.2.1 None.

4.3 HR

4.3.1 None.

4.4 Climate Change

4.4.1 None.

4.5 Information Governance

4.5.1 None.

4.6 Other

4.6.1 None.

5 EQUALITY IMPACT ASSESSMENT (EIA)

5.1 Under the Equality Act 2010, the council has a general duty to have due regard to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

5.2 It is important to consider how the proposals contained within this report may impact positively or negatively on protected characteristics.

5.3 It has been determined that due to the nature of this report, i.e. compliance with statutory financial requirements, it is not anticipated that the proposals within this report will have a differential impact on any of Bolton's diversity groups, including staff. A full EIA is therefore not required at this stage, however the EIA Screening Tool has been completed and is included at Appendix 3.

6 CONSULTATION AND ENGAGEMENT

6.1 N/A

7 VISION 2030

7.1 N/A

8 RECOMMENDATIONS

8.1 Cabinet is recommended to approve:

- The Capital Strategy for 2024-2027 in Appendix 1
- The Corporate Programme (Capital and Revenue one-off schemes) for 2024-27 in Appendix 2
- The MRP Policy as set out in section 3.4
- The Capital Prudential Indicators as set out in section 3.5.

CAPITAL STRATEGY 2024-2027**1 Purpose**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

- 1.1. The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

2. Council Objectives

- 2.1. The Council has agreed a number of corporate aims, priorities and objectives which guide its work. These are set out in the Council's Corporate Plan. Capital investment projects must be in line with these overall objectives as well as individual service aims and objectives. The following processes are designed to ensure this happens.

3. Capital Expenditure

- 3.1. Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset that is needed to provide services. Fixed assets are tangible or intangible assets that yield benefits to the Council generally for a period of more than one year, e.g. land, buildings, roads, vehicles. This contrasts with revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services.
- 3.2. The capital programme is the authority's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. The current detailed capital programme for 2024-2027 is shown in appendix 2.

4. Capital vs. Treasury Management Investments

- 4.1. Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- 4.2. For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Policy and the Annual Investment Strategy.
- 4.3. The annual Treasury Management and Investment Strategy is set out in a separate report to Cabinet.

5. Due Diligence

- 5.1. For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered.

5.2. Due diligence process and procedures will include:

- effective scrutiny of proposed investments by the relevant committee;
- identification of the risk to both the capital sums invested and the returns;
- understanding the extent and nature of any external underwriting of those risks;
- the potential impact on the financial sustainability of the Council if those risks come to fruition;
- identification of the assets being held for security against debt and any prior charges on those assets;
- where necessary independent and expert advice will be sought.

5.3. The Borough Treasurer will ensure that members are adequately informed and understand the risk exposures being taken on.

6. Key Capital Considerations

6.1. In recent years resources to fund capital expenditure has been severely restricted. The two major areas of development are the Town Centre Strategy, where the council has borrowed £100m to fund the estimated £1bn masterplan, and the Schools building expansion programme (funded by central government grant).

6.2. Other schemes have tended to be funded from either capital receipts generated (where an annual target of £2m is set) or from any surplus monies available from the dividend from the shareholding in Manchester Airport. The restrictions on air travel because of the coronavirus pandemic severely impacted the operations of Manchester Airport and although passenger volumes have now returned to normal levels, no dividend is expected to be paid for at least the next two years.

6.3. Key considerations when determining if a new scheme should be funded include;

- Maintenance of the essential infrastructure of the organisation;
- Essential Health and Safety works;
- Essential rolling programmes;
- Whether wholly financed by external/internal funding;
- Match funded investment for regeneration projects;
- Invest to save schemes.

6.4. The need for a capital scheme may be identified by a Service through one or more of the following processes.

- Annual service plans
- Corporate Asset Management Strategy
- Education and Schools Asset Management Plans
- Reviews and external inspections
- The need to respond to new legislation / initiatives

6.5. Additionally, consideration should be given to:

6.5.1. Prudence:

- Recognition of the ability to prioritise and refocus following transformation work,
- Recognition of the capacity in the organisation to deliver such a programme,
- Recognition of the knowledge and skills available and whether these are commensurate with the appetite for risk,
- Recognition of the future vision of the authority,
- The approach to commercial activities including ensuring effective due diligence, expert advice and scrutiny, defining the risk appetite and considerations of proportionality in respect of overall resources,

- The approach to treasury management and the management of risk as set out in the Treasury Management Strategy.

6.5.2. Affordability:

- Revenue impact of the proposals on the Medium Term Financial Plan,
- The borrowing position of the Council, projections of external debt and the use of internal borrowing to support capital expenditure,
- The authorised limit and operational boundary for the following year,
- Whether schemes are profiled to the appropriate financial year.

6.5.3. Sustainability:

- A long-term view of capital expenditure plans, where long term is defined by the financing strategy of and risks faced with reference to the life of the project/assets,
- Provision for the repayment of debt over the life of the underlying debt as set out in the Minimum Revenue Provision policy,
- An overview of asset management planning including maintenance requirements and planned disposals.

6.6. Possible sources of funding can then be considered for each of the proposed capital schemes. Each project will be considered in terms of revenue funding to cover the operational running costs of the asset and any borrowing repayment costs, and also how the asset will be funded in terms of capital expenditure.

7. VAT Considerations

- 7.1. It is important when appraising any capital scheme that an assessment is made on the anticipated impact on the Council's VAT recovery position.
- 7.2. Full VAT recovery is only permitted where less than 5% of VAT recovered relates to activities which are exempt from VAT (largely land transactions, paid for Education, Markets and Cremation). Where the 5% limit is exceeded no VAT recovery on VAT Exempt Activity is permitted unless a 7-year average can demonstrate the 5% rule has been adhered to.
- 7.3. Due to the reduction in resources generally there is a greater degree of uncertainty about the total value of VAT to be recovered and thus the value of VAT exempt schemes which can be accommodated. It is also possible that VAT regulations will change.
- 7.4. In land and property development schemes it is possible to take schemes out of the Exempt VAT calculation by "Opting to tax" i.e. charging VAT voluntarily. However, there are instances where options to tax are rendered invalid for example where the future use of the property is for residential or educational purposes. Opting to tax may make sites less attractive to some purchasers. There is also an option to tax on Cremation and Market activities. The current Town Centre development further re-enforces the need to consider VAT implications at all times.
- 7.5. Given the fine margins around VAT partial exemption, it is important that input tax totals and expenditure projections are closely monitored. Where additional expenditure is identified, it may be necessary to opt to tax on that or another scheme.

8. Management Framework

- 8.1. The officer governance structure of the Council comprises the Departmental and Corporate Leadership teams.

- 8.2. The teams receive reports on proposed capital projects and recommends to the Cabinet proposals for the development of the capital programme.

9. Member Approval Process

- 9.1. Cabinet receive the proposed Capital Programme in February each year which is then subject to scrutiny via the relevant scrutiny committee before being recommended to full Council.
- 9.2. Members approve the overall borrowing levels at the budget meeting in February each year as part of the Treasury Management Report. The taking of loans then becomes an operational decision for the Borough Treasurer who will decide on the basis of the level of reserves and money market position whether borrowing should be met internally from the Capital Reserve/Capital Receipts or whether to enter into external borrowing.
- 9.3. Once the Council has approved the capital programme, then expenditure can be committed against these approved schemes subject to the normal contract procedure rules and the terms and conditions of funding.
- 9.4. Whether capital projects are funded from grant, contributions, capital allocations or borrowing, the revenue costs must be able to be met from existing revenue budgets or identified (and underwritten) savings or income streams.
- 9.5. In-year reports for specific schemes are taken to the appropriate Cabinet Member for consideration and approval. This report will contain details about funding options.

10. Monitoring of the Capital Programme Expenditure

- 10.1. Once detailed capital programmes have been approved by members, the financial spend is monitored on a monthly basis by officers with quarterly reports to Members.

11. Funding Strategy and Capital Policies

- 11.1. This section sets out the policies of the Council in relation to funding capital expenditure and investment.
- 11.2. External Funding
- 11.2.1. Services must seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government. However, services must underwrite any cost overruns on externally funded schemes.
- 11.2.2. Prior to submitting bids for grant funding, an assessment of the risk of a contract price increase, associated with market conditions or abnormal building plan demands attached to some grants, must be completed to estimate the likelihood of additional funding being needed.
- 11.2.3. In respect of match funding bids then the relevant service must fully identify the necessary match funding resources from within existing service budgets. If this is not possible then the appropriate service must raise this for consideration with the members of the Corporate Leadership Team and the relevant Portfolio Holder prior to submitting any bid for funding.
- 11.3. Capital Receipts
- 11.3.1. A capital receipt is an amount of money exceeding £10,000 which is received from the sale of an asset. They cannot be spent on revenue items.

11.3.2. An annual capital receipts income generation target of £2m is set. The general policy is that any capital receipts are then pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by the regulations.

11.4. Revenue Funding

11.4.1. Services may use their revenue budgets to fund capital expenditure. This may be via the capital reserve which is an internal fund set up to finance capital expenditure as an alternative to external borrowing.

11.4.2. Service directors and the Borough Treasurer will need to take an overview and decide the most appropriate way of funding their service areas.

11.5. Prudential/Unsupported Borrowing

11.5.1. Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the government so services need to ensure they can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing.

11.5.2. Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. Services must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as their key priority for the budget process and to be factored into the medium-term financial strategy accordingly.

11.5.3. The Borough Treasurer will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance.

11.6. Pump Priming and Invest to Save Schemes

11.6.1. Occasionally projects arise for which services require assistance with meeting the set-up costs of projects which may bring long term service delivery improvements and/or cost savings. The initial set up costs may be of a revenue or capital nature. Assistance for these schemes must be considered on an individual basis by the Corporate Leadership Team and then the Cabinet with consideration to the Council's overall priorities and resources.

11.6.2. For 'invest to save' schemes assistance may be given for initial set up costs, but it is expected that in the longer term these schemes will produce savings and/or additional income that will as a minimum fund any additional operational or borrowing costs. If the additional savings/income does not cover the additional costs incurred, then the service will be required to fund the gap from their existing budgets (i.e. they will underwrite the savings/income).

11.7. Leasing

11.7.1. From April 2024 a new International Financial Reporting Standard (IFRS 16) comes into operation. Under IFRS16 there is no longer any differentiation between finance and operating leases - instead everything is brought onto the balance sheet as a new 'right of use' (ROU) asset type (we can subsequently reclassify these assets to different headings if appropriate).

11.7.2. There are exceptions to this where the underlying asset is a 'low value' asset, or where the lease is a short term (less than 12 months) lease. Low value assets are not defined in the regulations, but there has been general consensus between the GM authorities that we will each use our capital de minimis for the cut-off (£12,000 for Bolton).

12. Procurement and Value for Money

- 12.1. Procurement is the purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.
- 12.2. The Council has a Procurement team that ensures they provide value for money and to see where efficiency savings can be achieved. This also covers capital procurement.
- 12.3. It is essential that all procurement activities comply with EU procurement directives and adhere to the relevant requirements stipulated in directives. Guidance on this can be sought from the Procurement team. Procurement must also comply with the Council's policies and regulations such as Contract Procedural Rules and Financial Regulations.
- 12.4. The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

13. Performance Management

- 13.1. Clear measurable outcomes should be developed for each capital scheme. After the scheme has been completed, services should check if outcomes have been achieved.
- 13.2. Post scheme evaluation reviews should be completed by Departments for all schemes over £0.5 million and for strategic capital projects.
- 13.3. Reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, financing etc. and identify good practice and lessons to be learnt in delivering future projects.

14. Risk Management

- 14.1. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully.
- 14.2. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.
- 14.3. The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.
- 14.4. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.
- 14.5. It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies.
- 14.6. The Borough Treasurer will report explicitly on the affordability and risk associated with the Capital Strategy. Where appropriate she will have access to specialised advice to enable her to reach his conclusions.
- 14.7. An assessment of risk should therefore be built into every capital project and major risks recorded in a Risk Register.

14.8. Further consideration on risk can be found in Treasury Management Practice 1 (TMP1) in the Treasury Management and Annual Investment Strategy report to Members.

15. Other Considerations

15.1. Capital Schemes must comply with legislation, such as the Disability Discrimination Act, VAT and also Council policies, Contract Procedure Rules and Financial Regulations. Reference should also be made to other strategies and plans of the Council.

15.2. Important Linking Documents for reference are:

- Corporate Plan
- Individual Service Plans
- Procurement Strategy
- Financial Regulations
- Treasury Management Strategy

DETAILED CORPORATE CAPITAL AND ONE-OFF FUNDING 2024-27

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	23/24	24/25	25/26	26/27	Total
<u>Housing</u>					
Private landlords/ empty dwellings (REFCUS)		140,873			140,873
Total Housing		140,873			140,873
<u>Development & Regeneration</u>					
Town Centre Improvement Fund	34,710	27,588			62,298
Town Centre Strategy	1,293,443	13,032,657			14,326,100
Towns Fund	17,166,963	3,438,003			20,604,966
Enabling works	950	392,265			393,215
District Centres Fund	5,809,950	7,389,260			13,199,210
FHSF Farnworth	3,775,032	500,000			4,275,032
Rivington Chase HIF	11,189,316				11,189,316
Changing Places	48,474	26,526			75,000
UKSPF Communities & Place	1,056,556	409,053			1,465,609
Bolton College of Medical Sciences (REFCUS)	5,202,010				5,202,010
Town Centre Strategy (REFCUS)	7,724,150				7,724,150
FHSF Farnworth (REFCUS)	5,533,359				5,533,359
Changing Places (REFCUS)	143,842	6,158			150,000
Total Development & Regeneration	64,378,756	29,282,858	0	0	93,661,614
<u>Corporate Property</u>					
Asset Management Plan - urgent works		118,508			118,508
Westhoughton Town Hall		1,793,321			1,793,321
61-63 Market St Little Lever	65,900				65,900
Corporate Property Capital Programme	611,629	2,573,595			3,185,224
Backlog Maintenance	345,689	5,259,668	2,000,000	2,000,000	9,605,357
Coroners Court	497,952				497,952
Coroners Court Expansion fit out	120,000				120,000
One-Stop Shop Feasibility	7,000	93,227			100,227
Hall ith Wood Museum	86,033				86,033
Great Lever Library (UCAN)		908,915			908,915
Bolton Central Library Virtual Tour	12,135				12,135
Library Computer Refresh	250,000				250,000
Total Corporate Property	1,996,338	10,747,234	2,000,000	2,000,000	16,743,572

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	23/24	24/25	25/26	26/27	Total
<u>Children's Services</u>					
Building Maintenance Plan	6,118,105	4,480,000	3,480,000		14,078,105
School Capital Support Fund	20,000	50,000	50,000		120,000
Schools Access Initiative	10,000	50,000	50,000		110,000
Devolved Formula Capital	875,437	650,000	650,000		2,175,437
Primary Expansion Programme	250,000	1,958,000			2,208,000
Special School Expansion Programme	1,722,897	9,076,000	4,036,000		14,834,897
Secondary Expansion Programme	121,644	1,000,000	3,965,000		5,086,644
Youth and Play Centres	146,593				146,593
Primary Places		69,000			69,000
Childrens Centres	102,485	74,000			176,485
Improvement to Leisure Provision	16,857				16,857
School Schemes	61,097				61,097
Social Care	17,536				17,536
Primary Expansion Programme REFCUS	307,155		2,100,000		2,407,155
Special School Expansion Programme REFCUS	2,820,989	2,323,000			5,143,989
Secondary Expansion Programme REFCUS	1,995,794	2,826,000	3,700,000		8,521,794
Total Children's Services	14,586,589	22,556,000	18,031,000	0	55,173,589
<u>Adult Services</u>					
Day Care - Jubilee	622,564				622,564
Total Adult Services	622,564	0	0	0	622,564
<u>Environmental Services</u>					
Highways					
Challenge Fund - Highways drainage	46,978	144,953			191,931
Section 31 Grant - KRN Structures	250,000	1,722,215			1,972,215
A666 Challenge Fund St Peters Way Improvement	27,058	374,848			401,906
Depot Improvement Plan - Mayor St		30,374			30,374
Road Warning Signals	10,522				10,522
Deansgate Public Realm	85,802	469,398			555,199
Highways Improvement Funding (Area Forum)	63,998				63,998
Highways investment	560,667	60,000			620,667
Highways Maintenance	766,782	232,655			999,438
External Highways					
GMCA Highways LTP	2,948,283	6,411,695			9,359,978
Pothole Action Fund	676,890	479,600			1,156,490
Bridges & Structures	450,000				450,000
ITB Funding	250,000	852,760			1,102,760
CRSTS - KRN Maintenance	2,741,085				2,741,085
Street Lighting	147,483	94,130			241,613
LGF Crompton Way / Blackburn Road	269,055	35,000			304,055

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	23/24	24/25	25/26	26/27	Total
Bolton Salford Quality Bus Network	100,000	1,369,018			1,469,018
LSTF Bolton - Bury cycle route	10,000	26,122			36,122
City Cycle Ambition	3,000	22,965			25,965
MCF - Doffcocker to TC Bee Route	350,000	1,086,492			1,436,492
MCF - Bolton Town Centre East Phase 1 (T5)	1,000,000	2,986,792			3,986,792
MCF - Westhoughton (T6)	30,000	203,795			233,795
MCF - Astley Bridge (T6)	30,000	318,293			348,293
Safe Streets Cycling & Walking	927	43,670			44,597
MCF-Bolton to Farnworth	500,000	647,891			1,147,891
TFGM Development Fund	521,693				521,693
Capability Funding	315,104				315,104
Flood & Water Management Act Projects	51,543				51,543
Horwich Flood Alleviation	230,000	184,703			414,703
Non-Highways					
Equipped Play Area Strategy (S106)	37,525				37,525
Old Station Park	108,610				108,610
Elgin St Prevent Landslip	184,279				184,279
Weed Spraying Equipment	45,000				45,000
Horwich District Works	100,000				100,000
Replacement of Fleet Vehicles		1,781,151			1,781,151
Public Realm (Area Forum)	188,392	340,024			528,416
Cleaner Greener	263,395				263,395
Parking improvements in the Moss Bank Park area	99,766				99,766
LUF - Parks Improvement	46,057				46,057
LUF - Parks Improvement - Tree Uplift	12,928				12,928
Total Environmental Services	13,522,822	19,918,542	0	0	33,441,364
TOTAL CAPITAL	95,107,069	82,645,506	20,031,000	2,000,000	199,783,576
Revenue Schemes					
Housing					
Anti-Social Behaviour / Home Watch		55,902			55,902
Crompton Lodge	150,000				150,000
Development & Regeneration					
Strengthening the Office Market in Town Centre		300,000			300,000
Town Centre Strategy (Revenue)	811,388				811,388
Corporate Property					
Coroner Court Revenue	55,977				55,977
Children's Services					
Primary Places Revenue	63,000				63,000

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	23/24	24/25	25/26	26/27	Total
<u>Environmental Services</u>					
Cleaner Greener	114,314				114,314
TOTAL REVENUE	1,194,679	355,902	0	0	1,550,581
GRAND TOTAL	96,301,748	83,001,409	20,031,000	2,000,000	201,334,156

Bolton Council

APPENDIX 3

EXEMPT INPUT TAX MONITOR

	2022-23 Expenditure attracting VAT	2022-23 Exempt Proportion. %	2018-19 Exempt Expenditure £000s	2019-20 Exempt Expenditure £000s	2020-21 Exempt Expenditure £000s	2021-22 Exempt Expenditure £000s	2022-23 Exempt Expenditure £000s	2023-24 Projected Exempt Exp. £000s	2024-25 Projected Exempt Exp. £000s	2025-26 Projected Exempt Exp. £000s	2026-27 Projected Exempt Exp. £000s
Exempt Expenditure											
Revenue:											
Crematorium	33	100%	749	758	727	841	33	34	35	36	37
Greenspace	3,116	8%	165	220	113	197	244	117	120	124	128
Leverhulme Sports Centre	102	3%	34	39	18	19	3	19	19	20	20
Community Centres	47	100%	73	33	46	27	47	47	49	50	52
Jubilee Pool	0	100%	-	-	-	-	-	-	-	-	-
Urban Renewal	0	0%	79	-	-	-	-	-	-	-	-
Schools	45,955	3%	1,000	743	532	999	1,157	548	565	582	599
Libraries	889	7%	160	93	45	55	58	46	48	49	51
Museums	518	7%	79	99	45	88	39	47	48	50	51
Markets	393	100%	435	532	299	396	392	305	315	324	334
Admin Buildings	3,845	5%	187	186	187	172	189	193	199	205	211
Land & Property	828	98%	787	832	818	850	808	843	868	894	921
Castle Hill	1,095	0%	17	17	1	1	-	1	1	1	1
Legal Services	1,245	3%	6	8	5	9	40	5	5	5	5
Debt Management		100%	-	-	-	-	-	-	-	-	-
Total Revenue	58,066		3,770	3,561	2,838	3,654	3,009	2,206	2,272	2,340	2,411

APPENDIX 3 (continued)

	2022-23 Expenditure attracting VAT	2022-23 Exempt Proportion. %	2018-19 Exempt Expenditure £000s	2019-20 Exempt Expenditure £000s	2020-21 Exempt Expenditure £000s	2021-22 Exempt Expenditure £000s	2022-23 Exempt Expenditure £000s	2023-24 Projected Exempt Exp. £000s	2024-25 Projected Exempt Exp. £000s	2025-26 Projected Exempt Exp. £000s	2026-27 Projected Exempt Exp. £000s
Capital		From rev %									
Markets	-	100%	-	-	-	-	-	-	-	-	-
Crematorium	-	100%	119	-	-	-	-	-	-	-	-
Horwich Leisure Centre	-	3%	265	-	-	-	-	-	-	-	-
Schools	10,570	3%	490	384	120	218	266	120	124	127	131
Libraries	86	7%	3	7	6	6	6	6	50	52	53
Museums	-	7%	315	7	-	-	-	-	-	-	-
Greenspace	280	8%	21	7	8	20	22	8	8	8	9
Admin Buildings (incl Asset Reviews)	1,315	5%	79	97	342	79	65	132	136	140	144
Towns Fund -Market	-	100%	-	-	-	-	2,199	3,454	-	-	-
Towns Fund - WellSpring	-	0%	-	-	-	-	156	414	-	-	-
Towns Fund - Library	-	7%	-	-	-	-	90	198	-	-	-
Land & Property	286	98%	-	-	-	-	279	-	-	-	-
Total Capital			1,292	500	476	323	3,082	4,333	318	327	337
Total Exempt Expenditure			5,063	4,062	3,314	3,977	6,092	6,539	2,590	2,668	2,748
Exempt Input Tax at 20 %			1,013	812	663	795	1,218	1,308	518	534	550
Total Input Tax			23,285	25,760	22,373	26,493	30,009	31,752	31,527	30,009	30,009
Exempt as Proportion of Total	2016-17 2.68%	2017-18 3.75%	2018-19 4.35%	2019-20 3.15%	2020-21 2.96%	2021-22 3.00%	2022-23 4.06%	2023-24 4.12%	2024-25 1.64%	2025-26 1.78%	2026-27 1.83%
									7 year average 2.96%		

The above method over-estimates likely exempt input tax to avoid the laborious extraction of data. It is based on current Customs Guidance on the status of activities. Future projections may be distorted by changes in VAT regulations and service delivery methods.

The seven year average for VAT up to March 2026 is currently 2.96%

APPENDIX 4

Equality Impact Assessment

Initial Screening for relevance: Details of Impact (Part 1)

Directorate:	Corporate		
Section:	Corporate Accounting & Strategy		
Person completing this form:	Graeme Wilson	Date:	09-01-2024

Title of report or proposal:		Report No	
Corporate Capital and One-off funding 2024-2027		Click or tap here to enter text.	
Brief details of proposal, including the aims, objectives and purpose (all strategies, policies, reviews, projects, existing proposals, etc will be referred to as 'proposal'):			
To propose a Capital Strategy, Corporate Capital and Revenue Programme, a Minimum Revenue Provision (MRP) Policy and Capital Prudential Indicators for the next three years.			
'Proposal' status (please tick)	Proposed / New	<input type="checkbox"/>	Existing (i.e.: routine recommission) (If an EIA has previously been completed please include the date) Click or tap to enter a date.
Bolton Council Led	<input checked="" type="checkbox"/>	Partner Led (Please attach partner EIA, and complete section 3 - EIA sign off sheet, as screening not needed)	Click or tap here to enter text.

Public sector bodies need to be able to evidence that they have given due regard to the impact and potential impact on all people with 'protected characteristics' in shaping policy, in delivering services, and in relation to their workforce.

Under the Equality Act 2010, the council has a general duty to have due regard to the need to:

1. **eliminate unlawful discrimination, harassment**, victimisation and any other conduct prohibited by the Act;
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

By completing the following questions the three parts of the equality duty will be consciously considered as part of the decision-making process.

Details of the outcome of the Equality Impact Assessment must also be included in the main body of the report.

Initial Screening for relevance: Details of Impact (Part 1)

Which stakeholder groups will potentially be impacted?									
Residents	<input type="checkbox"/>	Partners	<input type="checkbox"/>	Workforce	<input type="checkbox"/>	Service users	<input type="checkbox"/>	Businesses	<input type="checkbox"/>
CVS Sector	<input type="checkbox"/>	Members	<input type="checkbox"/>	Other (please state)		None			

Anticipated Negative Impacts														
Protected Characteristics / Groups	N/A	Age	Armed Forces	Care Leavers	Caring Status	Disability	Gender Reassignment	Marriage / Civil Partnership	Pregnancy & maternity	Race	Religion / Belief	Sex	Sexual Orientation	Socio-economic
1) Will the 'proposal' potentially present any challenges / barriers to any protected groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2) Will any group be potentially excluded as a result of implementing your 'proposal'?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3) Does the 'proposal' have the potential to worsen existing discrimination or inequality?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4) Will the 'proposal' have a potential negative impact on community / partnership relations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Anticipated Positive Impacts

Protected Characteristics / Groups	N/A	Age	Armed Forces	Care Leavers	Caring Status	Disability	Gender Reassignment	Marriage / Civil Partnership	Pregnancy & maternity	Race	Religion / Belief	Sex	Sexual Orientation	Socio-economic
5) The 'proposal' could potentially reduce known inequalities , promoting equality of outcome or opportunity.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6) The 'proposal' has the potential to support inclusion and engagement from protected groups.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7) The 'proposal' has the potential to foster good relations between people.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8) The proposal could reduce the potential for harassment or discrimination .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consultation / engagement / research findings	N/A													

Brief bullet point summary of positive / negative impacts:	
None	
Details of any cumulative impact	None

Decision:

* All reports to the Executive Member which propose a new policy / procedure or are a savings review should continue to undertake a full EIA (part 2).

No major adverse impact identified, therefore a full EIA is not required (complete sign off sheet in section 3 and send to your Departmental Equalities Lead)	<input checked="" type="checkbox"/>
Impacts identified in screening process, therefore a full EIA is required.	<input type="checkbox"/>
This is a new policy, business improvement review or savings review, therefore a full EIA is required.	<input type="checkbox"/>

Equality Impact Assessment

Full EIA (Part 2)

Directorate:

Choose an item.

Section:

Click or tap here to enter text.

Person completing full EIA:

Click or tap here to enter text.

Date:

Click or tap to enter a date.

Stakeholders involved in the development of the 'proposal' and how they are involved: (please list)

Click or tap here to enter text.

2) Impact to protected characteristics (only list the impacts & mitigations to those characteristics identified in the screening process).

a) Age

Summary of impact

Click or tap here to enter text.

Mitigations to remedy any identified adverse impact

Click or tap here to enter text.

b) Armed Forces

Summary of impact

Click or tap here to enter text.

Mitigations to remedy any identified adverse impact

Click or tap here to enter text.

c) Care Leavers

Summary of impact

Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

d) Caring Status

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

e) Disability

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

f) Gender Reassignment

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

g) Marriage / Civil Partnership

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

h) Pregnancy & Maternity

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

i) Race

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

j) Religion / Belief

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

k) Sex

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

l) Sexual Orientation

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

m) Socio-economic

Summary of impact Click or tap here to enter text.

Mitigations to remedy any identified adverse impact Click or tap here to enter text.

3) Does your proposal cause any adverse impacts to a protected group, where mitigations cannot be implemented?

- Yes:** Please discuss this with your Directorate Equalities Leads before completing the sign off in section 3.
- No:** this process is complete (complete sign off in section 3 and discuss with your Equalities Lead when you plan to review your EIA).

Equality Impact Assessment

EIA Sign Off

This EIA form and report has been checked and countersigned by the Directorate Equalities Officer before proceeding to Executive Cabinet Member(s)

Screening tool completed (please tick)	<input type="checkbox"/>	Full EIA completed (please tick)	Yes	N/A
			<input type="checkbox"/>	<input type="checkbox"/>
EIA review date (if applicable).		Click or tap to enter a date.		

Please confirm the outcome of this EIA:

Click or tap here to enter text.

Positive impact for one or more groups justified on the grounds of promoting equality - proceed	<input type="checkbox"/>
No major impact identified, therefore no major changes required – proceed	<input type="checkbox"/>
Adjustments to remove barriers / promote equality (mitigate impact) have been identified – proceed	<input type="checkbox"/>
Continue despite having identified potential for adverse impact/missed opportunities for promoting equality – this requires a strong justification	<input type="checkbox"/>
The EIA identifies actual or potential discrimination - stop and rethink	<input type="checkbox"/>

Report Officer	
Name:	Click or tap here to enter text.
Date:	Click or tap to enter a date.
Directorate Equalities Lead Officer	
Name:	Click or tap here to enter text.
Date:	Click or tap to enter a date.