

Labour & Co-operative Group Capital and Investment Strategy 2024/25 to 2034/35

Proposed Programme for 2024/25 – 2034/35

1. Proposed Labour & Co-operative Group changes to the capital programme are set out in Section 5.3.
2. The table below sets out the amended proposed programme by strategy and the split between the Firm Programme (£769.8m) and Pipeline Programme (£537.9m).

Strategy / Programme	Current Year 2024/25 £m	Proposed Firm Programme (2 years) £m	Proposed Pipeline* Programme £m	Total Programme £m
Pupil Places Plan	32.7	97.0	105.3	235.0
Major Infrastructure	116.3	398.0	185.7	697.3
Highways Asset Management Plan	63.4	118.5	126.3	308.2
Property Strategy	27.3	69.3	17.1	113.7
IT, Digital & Innovation Strategy	7.8	4.3	0.6	12.7
Passported Funding	8.9	9.6	2.3	20.8
Vehicles and Equipment	2.9	7.1	17.7	27.7
Total Estimated Capital Programme Expenditure	256.6	703.8	455.0	1,415.4
Earmarked Reserves	0.0	66.0	82.9	148.9
Total Estimated Capital Programme	256.6	769.8	537.9	1,564.3

3. The Capital Programme is over – programmed by £14.1m over the ten - year period. The table below sets out the resources expected to be used to deliver the capital programme.

Financing	Total Programme £m
Section 106 and Community Infrastructure Levy	203.7
Grants and contributions	838.1
Prudential Borrowing	280.3
Capital receipts	128.8
Revenue Contribution	20.4
Subtotal	1,471.3
Capital Reserves	78.9
Total Financing	1,550.2

Prudential Indicators for Capital Finance – Updated for Labour & Co-operative Group Amendments

Estimates of Capital Expenditure

4. The Council is required to make reasonable estimates of the total of capital expenditure (including earmarked reserves) that it plans to incur during 2025/26 and the following two financial years. Estimated capital expenditure and financing from 2024/25 to 2027/28 has been updated to reflect the Labour & Co-operative Group amendments to the capital programme.

Capital Programme Estimates	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Expenditure	175.9	256.6	343.6	426.2	239.7	84.3
Financed by:						
Prudential Borrowing	59.8	63.0	78.4	58.1	44.9	24.5
Grants and Contributions	113.9	189.7	262.0	292.2	121.9	26.9
Capital Receipts	0	0	0	43.2	31.2	26.3
Revenue	2.2	4.0	3.2	2.4	5.2	0.8
Reserves	0	0	0	30.2	36.4	5.8
Total Capital Investment	175.9	256.6	343.6	426.2	239.7	84.3

The Capital Financing Requirement

5. Estimates of the end of year Capital Financing Requirement (CFR) for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2024 that are recommended for approval are set out in the table below. Estimates for 2024/25 to 2028/29 for the CFR has been updated to reflect the Labour & Co-Operative Group amendments to the capital programme.

Year	Actual/Estimate	£m
2023/24	Actual	450.737
2024/25	Estimate	499.525
2025/26	Estimate	561.221
2026/27	Estimate	597.436
2027/28	Estimate	628.450
2028/29	Estimate	633.529

Affordability

The Ratio of Financing Costs to the Net Revenue Stream

6. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code. The ratio of financing costs to the net revenue stream is estimated to remain within 4-6% in each year after the Labour & Co-operative Group amendments to the programme are included.

Year	Actual/ Estimate	Financing Cost £m	Net Revenue Stream £m	Ratio %
2023/24	Actual	24.7	632.1	3.9
2024/25	Estimate	26.4	661.7	4.0
2025/26	Estimate	28.7	707.2	4.1
2026/27	Estimate	32.6	737.8	4.4
2027/28	Estimate	34.7	772.0	4.5

The Ratio of Net Income from Commercial and Service Investments to the Net Revenue Stream

1. This is an indicator of affordability and is intended to show the financial exposure of the authority to the loss of income from commercial and service investments. The definition of commercial and service income is set out in the Prudential Code. Based on current activity the ratio of service income compared to the net revenue stream remains at a maximum of 0.04% from 2024/25 to 2027/28.

Year	Actual/ Estimate	Commercial & Service Income (*) £m	Net Revenue Stream £m	Ratio %
2024/25	Estimate	0.000	661.7	0.00
2025/26	Estimate	0.109	707.2	0.02
2026/27	Estimate	0.197	737.8	0.03
2027/28	Estimate	0.280	772.0	0.04