

DARLINGTON BOROUGH COUNCIL CAPITAL STRATEGY 2020/21



Darlington Borough Council

Capital Strategy

Introduction

1. The Capital Strategy has been developed in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2017. The Capital Strategy is intended to give a high level overview of how capital expenditure and financing plans are decided upon and provides the framework for the development, management and monitoring of the Council's capital investment plans.
2. The Strategy aligns with the priorities in the Corporate Plan and focuses on core principles that underpin the Council's approach to capital investments; the governance framework required to ensure the capital programme is delivered and provides value for money for the residents of Darlington.
3. The Strategy incorporates the Capital Programme **at Appendix 2** and is integrated with the Medium Term Financial Plan (MTFP), Asset Management Plan and Treasury Management Strategy and will be reviewed as such on an annual basis.

The Key objective of Darlington's Capital Strategy

4. The Capital Programme is the Council's plan of capital works for future years and includes details on the funding of schemes. The programme includes projects such as the purchase of land and buildings, construction of new buildings or roads, and the enhancement of existing assets. The capital strategy defines and outlines the approach to capital investments and is fundamental to the Council's financial planning process. The key objective of the capital strategy is to deliver a capital programme that;
 - (a) Ensures capital expenditure and investment decisions are used to support the delivery of the services according to the priorities within the corporate plan and supporting strategies.
 - (b) Is affordable, financially prudent and sustainable
 - (c) The most cost effective use is made of existing assets and new capital investment.
 - (d) Provides Value for Money
 - (e) Encourages Invest to Save initiatives to make efficiencies within the Council's revenue budget.
 - (f) Ensures the appraisal and prioritisation process for new schemes is robust and captures risks and mitigating factors.

The Council's Corporate Objectives and Priorities

5. Capital expenditure should support the Council's continuing commitment to the goals and ambitions set out within the Corporate Plan, which articulates the Council's determination to work with our partners to capitalise on our assets, to grow and share wealth, which in turn will assist in narrowing the inequalities gap. All capital expenditure proposals should be considered alongside the following three conditions which the council is committed to in order to achieve the vision;
 - (a) Growing the Economy to create conditions for business existing and new to succeed and grow creating more jobs and wealth in the borough and a vibrant economy.
 - (b) Building Strong Communities to help our communities work together and maximise their potential by investing in the social infrastructure of Darlington.
 - (c) Spending Every Pound Wisely, investing in creative and innovative solutions to make sure we provide value for money.

6. Meeting these conditions will allow the Council to achieve the following desired outcomes;
 - (a) More people healthy and independent
 - (b) A safe and caring community
 - (c) More businesses and more jobs
 - (d) Enough support for people when needed
 - (e) Children with the best start in life
 - (f) More people active and involved
 - (g) More people caring for our environment; and
 - (h) A place designed to thrive.

Governance Arrangements

7. The Capital Programme is the Council's plan of capital works for future years, including details on the funding of the schemes.

8. The programme is determined by the need to incur capital expenditure, capital resources available; and the revenue implications flowing from the capital expenditure.

9. The Council's Constitution and financial regulations govern the capital programme process and require Full Council to agree the programme annually. The reports of the Chief Finance Officer will consider the compliance of the proposed schemes in the programme with the medium term financial plan, the capital resources available, the revenue implications of the proposed capital expenditure and any other relevant information.

10. All schemes are formally approved into the capital programme by following a process as set out in the financial regulations and approved by Council. The inclusion of a scheme in the programme does not constitute authority to incur expenditure. Each capital scheme shall be the subject of a written report by the responsible Director to Cabinet and this report shall include the need for the proposed expenditure, its place in the Council's strategic plans, the estimated capital cost analysed as appropriate, the estimated revenue implications (if applicable) and the methods of financing.
11. Reports for all proposed schemes with a value of more than £1 million shall also contain whole-life-cost evaluations, setting out the cost of the proposed scheme over its expected life, including any cost implications at the expiry of the life of the proposed scheme.
12. Cabinet receive regular capital monitoring reports and approve variations to the programme within Cabinets delegated authority limits.
13. Cabinet also considers new bids that fall outside the annual budget process.
14. Schemes with a final outturn level over £1m are reported to Cabinet comparing actual cost, timeliness and quality with the original and amended approvals.
15. Scrutiny Committees can call in Cabinet reports, receive and scrutinise reports.
16. All projects progressing to the capital programme follow the constitution and financial regulations and the capital programme is subject to internal and external audit.

Investment evaluation and prioritisation

17. As part of the budget planning process services are required to submit capital proposals for consideration to the Asset Management Group (AMG) for investment decisions. The capital investment appraisal process focuses on:
 - (a) Policy and strategic fit
 - (b) Affordability and resources
 - (c) VFM, cost/benefit
 - (d) Options appraisal
 - (e) Risk assessment and
 - (f) Capability and capacity within the Council to manage and deliver the project
18. Where capital expenditure requirements exceed external funding availability bids for internal resources are prepared and assessment by the AMG using a scoring model which has regard to the capital strategy, asset management plan, sustainable community strategy and the corporate plan. AMG submit to Chief Officers Executive (COE) a list of assessed bids. COE then develop proposals

for inclusion in the Capital Programme, Cabinet consider these proposals and make recommendations to Council for final approval.

19. The AMG, chaired by the Managing Director and including representation from all departments, maintain a continuous review of capital planning, management and reporting, with regard to best practice, experience and opportunities for improving the Council's capital and asset management.
20. The AMG oversee implementation of standards and procedures and make recommendations by other parties (Chief Officers Executive, Cabinet, Council) as appropriate. In developing their proposals, AMG shall, in addition to departmental capital expenditure plans, have due regard to:
 - (a) the various funding streams available from government and other grants
 - (b) developer contributions towards capital expenditure under section 106 agreements and any other similar arrangements
 - (c) internal resources available from capital receipts, non-supported borrowing and revenue contributions to capital expenditure.

Invest to save projects

21. Departments are encouraged to consider innovation in service provision that can drive efficiency and deliver cashable savings. Invest to save bids will be considered on the same basis as other capital proposals, and need to demonstrate what savings and benefits will be achieved as a result of the proposed initiative. However, as the benefits of these schemes should outweigh the costs it is likely these bids will be prioritised.

Approvals outside the normal budget setting process

22. Any additional capital proposals required within year and outside the annual budget process must be submitted to the AMG for consideration. The group will then appraise the scheme and it will be reported to Cabinet for approval.

Capital or Treasury Management Investments

23. Treasury Management investment activity covers those investments which arise from the Council'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.
24. 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 Strategy and the Annual Investment Strategy.

Service and Commercial Investments

25. These are investments for policy reasons outside of normal treasury management activity. This may include:

Service Investments

26. These are investments held clearly and explicitly in the course of the provision, and for the purposes, of operational services, including economic regeneration. Any potential Service Investment would be presented to Cabinet for approval prior to commencement.

Commercial investments

27. These are investments taken mainly for financial reasons and may include investments taken with the aim of making a financial surplus for the Council.
28. Commercial investments also include fixed assets which are held primarily for financial benefit, such as investment properties. Any commercial Investment would be presented to Cabinet for approval prior to commencement.

Due Diligence

29. 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.
30. Due diligence process and procedures will include:
- Effective scrutiny of proposed investments;
 - 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.

Loans to External Bodies or Organisations

31. The Council's capital programme also includes provision to provide loan facilities to external bodies or organisations for activities that are aligned to, and support, Council service objectives and/or corporate priorities. Examples may include,

supporting economic growth such as housebuilding and improving the health and wellbeing of local communities.

32. Under statutory regulations these loans are treated as capital expenditure.
33. In making such loans the Council is exposing itself to the risk of the borrower defaulting on loan repayments. The Council, in making these loans must therefore ensure they are prudent and have fully considered the risk implications. The Loans for these purposes will be subject to a financial appraisal and a series of due diligence checks, and only be provided if the Council is fully satisfied of the borrower's ability to meet their obligations. Wherever possible, the Council will aim to mitigate its risks and exposure to default by seeking appropriate additional security from the borrower. This may often be in the form of a legal charge over the borrower's property or assets.
34. All loans are agreed by Cabinet. All loans will be subject to close, regular monitoring.
35. The rate of interest charged on these facilities will be dependent on the nature and structure of the individual loan and the assessed risks to the Council. However, loans would usually only be provided on the basis that there is no net cost to the Council. In addition all loans will need to be State Aid compliant.

Funding Sources

36. The Council's capital programme is funded from a mix of sources including:
 - (a) Prudential Borrowing – The introduction of the Prudential code in 2004 allowed the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs.
 - (b) External Grants – A proportion of our capital funding comes through as external grant allocations from central government departments such as the Department for Transport and Department of Education. There is also external funding from the European Regional Development Fund which we have been successful in bidding on over the last few years. In addition direct funding is received from the Tees Valley Combined Authority (TVCA) under the new devolved arrangements. The TVCA has an approved investment plan of £588.2m over a ten year period and Darlington has been successful securing funding for a number of growth projects including

£10m for the Town Centre and £25m for Darlington Railway Station which is in development.

- (c) A significant element of the capital investment programme is funded from the Housing Revenue Account. Funding towards the Council's New Build programme is also received from Homes England (HE). All Housing Capital schemes are funded this way and are prioritised through the Housing Business Plan.
- (d) Section 106 and external contributions – elements of the capital programme are funded by contributions from private sector developers and partners.
- (e) Revenue Funding – The Council can use revenue resources to fund capital projects on a direct basis, however, the impact of austerity on the Council's revenue budget has reduced options in this area and the preference is for Invest to Save projects where feasible.
- (f) Capital Receipts – A capital receipt is an amount of money exceeding £10,000, which is generated from the sale of an asset. The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

Capital Investment Fund

- 37. At its meeting of 24 November 2016 the Council established a Capital Investment Fund of £10m which due to its success has subsequently been increased to £50m
- 38. Council approved the principle and establishment of the Capital Investment Fund to be used for innovative investment opportunities beyond the traditional Treasury Management Strategy in order to achieve greater returns given the low returns on investment due to the current economic climate.
- 39. The Council is utilising the fund to achieve greater returns by exploring more innovative approaches whilst at the same time being willing to take on a greater level of risk. Such approaches include loans to other organisations, joint venture house building, property investment or developing sites for sale.
- 40. The Investment fund also provides for wider benefits which extend further than direct reward and assist with economic regeneration and job opportunities.
- 41. Since the establishment of the fund and at the time of writing Cabinet have agreed to nine uses of the fund for schemes such as housing joint ventures,

office development, and pump priming with a commitment of £41.97m leaving a balance of £8.03m. All projects are detailed and reported to Cabinet for approval.

Economic Growth Investment Fund (EGIF)

42. The EGIF was set up in 2017/18 Growing the Economy is a priority for the Council and the Economic Growth Investment plan sets out what needs to be done in order for the Borough to accelerate sustainable, managed and planned economic growth. It also provides the structured framework required to ensure that a programme of investments is created that can deliver the strategic ambitions and goals of the Council.
43. The majority of the Plan is and will be completed in conjunction with the Tees Valley Combined Authority, however the Council needs to pump prime and match fund some of the schemes. The EGIF of £4.232m was established in 2017/18 and included in the capital programme.
44. Any proceeds from sites which subsequently become operational and sold will be reinvested in the fund for future developments.
45. Specific scheme approvals will be subject to detailed reports to Cabinet to release each scheme as and when they are required.
46. At the time of writing the fund has a balance of 0.904m uncommitted.

Risk Management

47. 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.
48. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and responding to them. It is both a means of minimising the costs and disruption to the Council caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all of their activities.
49. The aim is to reduce the frequency of adverse risk events occurring, minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.
50. To manage risk effectively, an assessment of risk should be taken on every capital project, mitigated where possible and monitored.
51. 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.

Knowledge and skills

52. The Council has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.
53. The Council establishes project teams from all the professional disciplines from across the council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.
54. Internal and external training is offered to Members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the Assistant Director Resources.

Darlington Borough Council Capital Programme

1. The Council has an extensive capital programme with significant resources invested to purchase, improve, protect and maintain our assets, to enable the council to deliver its priorities for example purchasing land to enable road improvements or investing in modernising school buildings and housing. The Council continues to deliver a significant capital investment programme in the main funded from the Housing Revenue Account (HRA) and grant or other external funding which is targeted at specific schemes and programmes such as Transport and Schools. Furthermore investment from the Tees Valley Combined Authority (TVCA) along with European and other external funding sources are being used for economic growth initiatives.
2. The Council can also supplement these funding sources with its own resources such as capital receipts or prudential borrowing where there is a need, however as capital receipts are limited and prudential borrowing comes with future revenue implications there must be a strong business case for doing so.
3. In recent year there has been significant investment in economic growth either funded or pump primed by the Council, schemes such as Central Park including the National Biologics Centre and Business Central along with the Development of Feethams House which is Grade A Office accommodation, and recent Town Centre purchases are helping to make Darlington a more vibrant place to be. The Council's Investment Fund and Economic Growth Investment Fund are both being utilised to invest in these areas which ultimately increases business rates and the finances of the Council helping vital services to be funded.
4. The current capital programme stands at £226m as summarised in Table 1 below. The programme is monitored on a monthly basis and reported to Cabinet quarterly, the latest available monitoring report for the 2019/20 – 2020/23 was presented to Cabinet on 4 February 2020 and noted the programme was within budget with the majority of schemes on target.

Table 1

Area	Construction				Non construction	Capital investment fund	Housing New Build - not yet allocated	Total
	Live Schemes £75k & Over	Annualised Schemes	Completed Schemes awaiting review	Live Schemes under £75k				
	£m	£m	£m	£m	£m	£m	£m	£m
Housing	32.182	5.575	21.632	0.292	0.670	0.000	0.438	60.789
Economic Growth	34.661	0.000	26.746	0.556	6.178	41.969	0.000	110.110
Highways/Transport	5.466	16.113	3.289	0.898	0.883	0.000	0.000	26.649
Leisure & Culture	17.505	0.000	0.956	0.134	0.360	0.000	0.000	18.955
Education	3.434	0.089	2.299	0.156	0.280	0.000	0.000	6.258
Adult Social Care	0.000	0.000	0.138	0.000	0.993	0.000	0.000	1.131
Other	0.000	0.000	0.000	0.000	1.881	0.000	0.000	1.881
Total	93.248	21.777	55.060	2.036	11.245	41.969	0.438	225.773

5. In addition to the current agreed programme the Council looks ahead to future capital requirements based on the principles of the capital strategy. A four year timeframe has been adopted to fall in line with the revenue Medium Term Financial Plan. Attached at **Annex A** are the priority proposals for addition to the plan along with the funding methods. The majority of schemes are focused on Housing and Transport, funded via the HRA and grants respectively, there are however a number of Council funded corporate schemes to be approved.
6. The following paragraphs describe the major elements of the capital programme priorities for approval. Specific scheme funding release will be subject to detailed reports to Cabinet.

Corporate schemes – funding required

7. A number of the Council Office buildings in particular the Town Hall and Central house are ageing and are requiring more and more maintenance each year. A full refurbishment is cost prohibitive and would also be extremely disruptive for operations. A phased approach is therefore taken and each year the Corporate Landlord team review the buildings and recommend priority works for consideration. This year, two recommendations have been put forward for approval, The Town Hall alarm system and zoned heating control.
8. £0.200m is required for the Town Hall fire alarm system which is in need of replacement as the existing detectors are obsolete product so replacements are dependent on shelf stock. The original system is supplemented with an additional fire alarm panel ran in series which supports current detectors, this is not ideal as all interactions with the fire alarm system should be accessible from one panel. This is a health and safety priority.
9. £0.200m has been requested for the replacement of the existing redundant heating controls to re-establish the flexibility of local office temperature controls. The existing heating system can no longer regulate the temperatures in different

parts of the building and compensate for the solar gain in throughout the day. Addressing this issue will improve comfort levels experienced by staff and will also help our carbon commitment by reducing energy consumption.

10. Crown Street Library - £2.9m. Funding for the refurbishment and restoration of Crown Street Library following consultation alongside structural works to include roof replacement and mechanical and electrical works. The refurbishment work will be sympathetic to reflect the historic nature of the building and a full report to Cabinet will detail all works before funds are released.
11. Capitalised repairs – £0.250m is required for repairs on the council building stock to ensure it is fit for purpose. This is a rolling programme and details on specific areas of spend will be brought to Cabinet for consideration.
12. Advanced design fees - £0.150m per annum is requested to ensure that resources are available to work up any new schemes brought forward in relation to economic growth including site investigations on development sites, industrial and housing land. This funding has been invaluable in the past in enabling the Council to be site ready.

Corporate Schemes – funding secured

13. Allington Way Office Extension, £0.150m – Due to the growth in construction and project works there is a need to extend the existing accommodation as it is at maximum capacity for office based staff. An extension which would accommodate approximately 20 additional staff will future proof the building and enable the services to expand and respond to future business growth opportunities. The borrowing costs for this scheme will be funding from additional profits following increased turnover.
14. Cattle Market – funding of £0.350m is required to prepare for the Council taking possession of the Cattle Market site. This will include surveys, permissions, demolition and accommodation works to make the site safe for any temporary use and permanent development. This will be funded initially from the Economic Growth Investment Fund to be repaid when the site is developed.
15. Railway Heritage quarter – Funding of £20m has been secured from the Tees Valley Combined Authority for the Head of Steam site. A master plan has been developed for the Site, the vision being a Rail Heritage Quarter, which will turn the site into a world class attraction, working closely with on-site partners and others ahead of the 2025 celebrations. The work will include the refurbishment and restoration of the existing buildings and will also have the potential for new build. The project will be delivered in phases with phase 1 happening before 2025.

Government Funding

16. Set out below are details of the levels of Government funding available for investment by the Council in 2020/21 and an outline of the proposed use of these funds.

	2020/21 £m
Children's Services	
School Condition Allocation	0.142
Transport	
Local Transport Plan	2.575
Pothole Action fund	0.095
Other	
Disabled Facilities Grant	0.947
Total Capital Grant Available	3.757

School Condition Allocations

17. The Local Authority now only receives school condition funding for Community Maintained Schools. Maintenance funding for Academies is available through other routes. This funding received by the Local Authority will be spent in line with key priorities identified with each maintained school through the locally agreed asset management planning (LAMP) process, carried out each January. There are no strict spend deadlines for these small scale condition related projects which are prioritised and completed as funding becomes available.

Transport and Highways

18. A new Local Transport Plan for the Tees Valley has been consulted upon and it is the intention that this will be endorsed by the Tees Valley Cabinet early in 2020. This will help set the spending plans for the funding allocations from the Department for Transport and from the Devolution deal. The Integrated Transport Programme (ITP) of TVCA's Investment plan identifies £256.7m of investment over the next 10 years. There will be projects and initiatives delivered in Darlington from this fund. However, these will be subject to separate business cases and approval processes as they are developed.
19. The new Tees Valley Local Transport Plan has a number of accompanying documents that set the strategy and vision for different modes of transport. Each Local Authority is required to produce a Local Improvement Plan, which will effectively replace the local authority Local Transport Plan. These plans will cover local priorities and maintenance requirements. The Department for Transport (DfT) releases capital funding to the Tees Valley Combined Authority (TVCA) to implement these plans based on a needs formula and this is transferred annually to the Local Authority. In 2020/21 the indicative amounts for Darlington are

£0.886m allocated for the Integrated Block and £1.689m for the Highways Maintenance Block (comprising £1.398m maintenance and £0.291m incentive funding, which is performance related payments, Darlington receive the maximum amount of funding based on assessments of our process and asset management).

20. The Local Improvement Plan for Darlington is being progressed and a programme of works for 2020/21 based the allocations above is being developed and scheduled for consideration by Cabinet in March 2020.

21. In addition to the above there is opportunistic funding announcements from the Department for Transport. For example in recent years Local Authorities have been allocated additional funding to deal with road repairs from the Pothole Action fund. Whilst, not confirmed it is anticipated a further amount could be received.

22. The Council has also submitted a bid into the Department for Transport's Highway Maintenance Challenge Fund for £2.260m for additional road maintenance on the A68 and an announcement on whether this has been successful is expected by the end of the calendar year. The Council are also developing an expression of interest for a bid in the Department for Transport's Pinch Point Programme that has to be submitted by the end of January 2020.

23. Pothole Action Fund – The Pothole Action Fund was announced in April 2016 by the government and gave local authorities in England £50 million a year, for 5 years, to help them tackle more than 4 million potholes. Funding is calculated according to the size of the local road network in the area. The Council's current allocation is circa £95k per year and this is expected to continue beyond the initial 5 year period.

Disabled Facility Grants

24. These grants are available if you are disabled and need to make changes to your home with examples being:

- Widen doors and install ramps,
- Improve access to rooms and facilities – e.g. stair lifts or a downstairs bathroom,
- Provide a heating system suitable for your needs, and
- Adapt heating or lighting controls to make them easier to use.

Housing

25. All Housing Capital schemes are funded fully from the Housing Revenue Account. The priorities identified through the Housing Business Plan to be funded from the estimated capital resources for 2020/21 include:-

- (a) Adaptations and lifts – £0.150m budget is to deliver adaptations within the Council's housing stock to enable tenants with a disability to remain in their own home and live independently across the Borough and to complete any unplanned major works to passenger lifts within sheltered and extra care schemes.
- (b) Heating Replacement - £1.335m to fund new condensing boiler and central heating upgrades. This work will predominantly be completed in the Haughton and Bank Top areas. There will also be some miscellaneous properties which will be included in the programme and we will be running a "just in time" programme of replacement for those boilers that fail before their due replacement date within the financial year.
- (c) Structural Repairs - £0.500m has been set aside to address any structural issues that may be identified within the year.
- (d) Lifeline Services - £0.050m is set aside to continue to provide upgrades to Lifeline equipment.
- (e) Repairs before Painting - £0.100m will be invested in joinery repair works in anticipation of the cyclical external painting programme. This will cover around 1,200 properties at various locations within the Borough.
- (f) Roofing – £0.500m for the replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. The programme will primarily be in the Haughton area.
- (g) Garages - £0.050m will be invested in improvements to the Council's garage blocks which will predominantly be in the Lascelles Park area.
- (h) External Works - £0.300m will be used to provide new rear dividing fences and new footpaths to Council properties in various locations based on condition.
- (i) Smoke Detectors - £0.025m is required to replace existing hard wired smoke and heat detectors where systems are now 10 years old and reaching the end of their recommended lifespan.
- (j) Pavement Crossings - £0.032m has been identified to fund pavement crossings across the Borough.
- (k) Replacement Door Programme - £0.350m will be used to replace external doors with energy efficient composite doors in the Lascelles Park area.
- (l) Window Replacement - £0.500m has been identified to replace windows across the Borough with double glazed UPVC. These areas will be determined based on those in the poorest condition, but we will be working predominantly in the Haughton and Springfield areas.
- (m) Internal planned maintenance – £1.595m for the replacement of kitchens and bathrooms, rewiring of electrical systems and heating system upgrades

where required. This work will predominantly be completed in the Lascelles Park area. There will also be some miscellaneous properties which will be included in the programme.

- (n) Communal Works - £0.100m is required to replace communal doors and screens in the North Road area.

- (o) New Build/Property acquisitions - £17.989m will be spent predominantly on the new build programme.

ANNEX A					
Capital Medium Term Financial Plan 2020/21 - 2023/24					
	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000
SPENDING PRIORITIES					
<u>Children, Families & Learning</u>					
School Condition Allocations	<i>142</i>	<i>142</i>	<i>142</i>	<i>142</i>	568
	142	142	142	142	568
<u>Housing</u>					
Adaptations / Lifts	150	150	150	150	600
Heating replacement programme	1,335	1,335	1,335	1,335	5,340
Structural works	500	500	500	500	2,000
Lifeline Services	50	50	50	50	200
Repairs before painting	100	100	100	100	400
Roofing	500	500	500	500	2,000
Garages	50	50	50	50	200
External Works (footpaths, fencing, etc.)	300	300	300	300	1,200
Smoke detection	25	25	25	25	100
Pavement Crossing	32	32	32	32	128
Replacement Door Programme	350	350	350	350	1,400
Window Replacement	500	500	500	500	2,000
IPM works	1,595	1,595	1,595	1,595	6,380
Comunal Works	100	100	100	100	400
New build (net of HE grant)/regeneration	17,989	17,632	15,082	15,082	65,785
Fees	267	267	267	267	1,068
	23,843	23,486	20,936	20,936	89,201
<u>Transport</u>					
Highway Maintenance	1,689	1,689	1,689	1,689	6,756
Integrated Transport	886	886	886	886	3,544
Pothole Action fund	95	95	95	95	380
	2,670	2,670	2,670	2,670	10,680
<u>Other Capital Programmes</u>					
Disabled Facility Grants	947	947	947	947	3,788
	947	947	947	947	3,788
<u>Council Schemes - funding required</u>					
Town Hall - Fire Alarm Renewal	200	-	-	-	200
Town Hall - Zoned Heating Control	200	-	-	-	200
Crown Street Library	2,900	-	-	-	2,900
Capitalised Repairs	250	250	250	250	1,000
Advanced Design Fees	150	150	150	150	600
	3,700	400	400	400	4,900
<u>Council schemes - funding secured.</u>					
Allington Way - Office Extension	150	-	-	-	150
Cattle Market - site works	350	-	-	-	350
Railway Heritage Quarter	-	-	10,000	10,000	20,000
	500	-	10,000	10,000	20,500
TOTAL SPENDING PLANS					
	31,802	27,645	35,095	35,095	129,637
FUNDED BY;					
Capital Grants	3,759	3,759	3,759	3,759	15,036
HRA Revenue Contributions	5,551	5,551	5,551	5,551	22,204
HRA Investment Fund	8,722	4,982	4,982	4,982	23,668
HRA Capital Receipts	303	303	303	303	1,212
HRA Borrowing	9,267	12,650	10,100	10,100	42,117
Corporate Resources (borrowing or capital receipts)	3,700	400	400	400	4,900
Self Financing	500	-	10,000	10,000	20,500
TOTAL RESOURCES	31,802	27,645	35,095	35,095	129,637

Figures shown in italics are estimates, awaiting confirmation of funding streams.