

Capital Strategy 2025/26 to 2029/30

1. Background

- 1.1. CIPFA's Prudential Code for Capital Finance in Local Authorities and DLUHC's Investment Guidance, require all local authorities to prepare a Capital Strategy report which should demonstrate that the authority:
 - takes capital expenditure and investment decisions in line with service objectives;
 - takes account of stewardship, value for money, prudence and affordability;
 - sets out the long term context in which capital expenditure and investment decisions are made;
 - gives due consideration to both risk and reward and the impact on the achievement of priority outcomes.
- 1.2. The aim of the Capital Strategy is to ensure that all members on the full Council understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.3. The Prudential Code and the Treasury Management Codes were updated in 2021. The updates included:
 - Local authorities are required to acknowledge that they will not borrow for projects where the primary purpose is for commercial return;
 - Further transparency is required for non-treasury investments, including new indicators that demonstrate the proportionality of non-treasury investments to the council's other activities;
 - Creation of Investment Management Practices (IMPs), which are similar to the existing Treasury Management Practices (TMPs). The IMPs will outline the processes, practices and governance that will be followed in the management and decision making for non-treasury investments.
- 1.4. This Capital Strategy is reported separately from the Treasury Management Strategy Statement which ensures the separation of the core treasury management function, focused on security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on assets.
- 1.5. CIPFA have updated the definition of investments within the Treasury Management Code to now include "non-treasury", or commercial investments. These non-treasury investments are held primarily for financial returns, such as investment property portfolios. This strategy covers any non-treasury investments that the organisation holds or is planning to invest in. Treasury investments and associated risks are covered under the council's Annual Investment Strategy, which forms part of Appendix 6 to the General Fund budget report.
- 1.6. Under the Prudential Code and Treasury Management Code, the council is required to set parameters around the council's borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. These parameters are set out in the prudential indicators within Annex C of the Treasury Management Strategy. These indicators ensure that any borrowing undertaken is prudent, affordable and sustainable.

- 1.7. Additionally, when funding capital expenditure through borrowing, the council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP). The policy for making the annual MRP should be prepared in line with the MRP guidance published by MHCLG. The council's MRP policy for 2025/26 is consistent with the current guidance and is included in Appendix 6 of the budget report for approval.

2. Governance & Risk Frameworks

- 2.1. The council's Financial Regulations set out the framework of control, responsibility and accountability for the proper administration of the council's financial affairs. Under the Financial Regulations, the S151 Chief Financial Officer is responsible for ensuring a capital programme is prepared and considered by Cabinet and approved by full Council annually.
- 2.2. Further to this, the council's Standard Financial Procedures define the key controls around the management of the council's financial affairs, including the capital programme. The key controls for the capital programme are:
- Specific approval by full Council for the programme of capital expenditure, in conjunction with the annual revenue budget process, outlining the phasing of expenditure and the sources of funding and financing;
 - A scheme and estimate, including options appraisal, project plan, progress targets and associated revenue expenditure are prepared for each significant capital project;
 - No capital scheme to proceed unless necessary approvals have been obtained;
 - Proposals for improvements and alterations to buildings must be approved by the appropriate Chief Officer in consultation with the Head of Strategic Property;
 - An officer-led Capital Programme Board which was established during 2023/24. The board reviews new schemes, business plans and all variations to the Capital Investment Programme prior to approval at Cabinet. The Board comprises the Chief Executive, Directors and relevant Senior Officers for all departmental capital programmes.
 - Major rolling programmes of capital expenditure will require a detailed report to be submitted to Cabinet covering all of the schemes within each programme of works. This will include, but not be limited to, the programmes for the housing stock, Education, Asset Management Fund (AMF), Corporate Planned Maintenance (PMB), Commercial Asset Investment Fund (CAIF), Information Technology & Digital (IT&D) Future Fund, Strategic Investment Fund (SIF) and the Local Transport Plan (LTP). These may be reported separately or as part of a Targeted Budget Management (TBM) report;
 - The development and implementation of an Asset Management Plan;
 - A nominated, accountable budget holder for each scheme and/or component of the programme;
 - Monitoring of progress on capital schemes and comparison with approved budget and remedial action taken to address overspends, reporting monthly to Chief Officers and at least quarterly to Cabinet;
 - Compliance with the council's Corporate Procurement Strategy and Contract Standing Orders.

Management of Risk

2.3. The council provides a number of critical services and its core purpose is to meet its statutory duties for the benefit of the citizens of the City. The council's key priority is to protect the delivery of these services. Therefore, the council needs to take a measured approach to balancing the risks of any capital investment decisions with the resources available for delivering key services against the benefits accruing from the investment.

2.4. The council's Risk Management Process is managed by:

- (i) assigning accountability to key officers to enable review, and challenge processes and assurances;
- (ii) using a "three lines of defence" model to map out how it gains assurance over its activities, processes and risks. This is reported within the Annual Governance Statement. An example is given below on using the three lines of defence to structure and categorise assurances for procurement.

An organisation might identify contract management as a key risk. The assurance map would then set out the sources of assurance that enable senior management and members to satisfy themselves that this risk is being managed. Under the three lines of defence, these assurances are categorised as follows:

First line: controls and processes followed by service managers who own and manage risks. In this case, these would be the controls and processes followed by contract managers who are responsible for procuring and managing contracts.

Second line: controls and processes operated by managers responsible for overseeing risks. These typically monitor the first line of defence operated by managers and in this case might include risk management and procurement compliance functions.

Third line: functions providing independent assurance. This is a key role for Internal Audit and is sometimes considered to include external inspectorates.

- (iii) monitoring and tracking delivery of the assurances throughout the year to help strengthen the risk management and control environment through the Risk Reporting Timetable that sets out the specific review period for risks at Directorate Leadership Teams (DLT) and the Corporate Leadership Team (CLT). Directorate and strategic risks are reviewed by DLTs, with newly identified risks, escalated risks, suggested amendments to strategic risks and the Directorate Risk Registers reported to CLT as part of their risk review. Risks are reported to Cabinet for review at least annually.

The Audit, Standards & General Purposes Committee have oversight of the risk management process and review the Risk Management Framework annually.

2.5. Risks specific to the delivery of the capital programme and Capital Strategy are managed by a range of processes and groups:

- Financial risks (e.g. overspending, slippage and re-profiling) are managed through the council's Targeted Budget Management (TBM) process which is reported at least quarterly to Cabinet.
- The progress of major infrastructure projects is monitored through the officer led Capital Programme Board.
- Any significant changes to the direction, or financial or legal risks of any major scheme, are reported back to CLT and Cabinet.

3. Capital Strategy

3.1. Capital resources are available to the council for investment in assets. They play an important role in helping to achieve Council Plan priorities. This section sets out the strategy and plans for capital expenditure. The recommended Capital Strategy outlines the process for the prioritisation and evaluation of capital investment projects. A summary of these priorities is detailed as follows and aims to:

- Seek to protect as far as possible capital grant funding for education, housing, transport network and public realm investment;
- Pool all remaining non ring-fenced capital resources and allocate these to priority areas for investment;
- Allocate £0.250m per annum for 'major projects' investment through a Strategic Investment Fund (SIF). These projects support the economy through regeneration of key sites which can often lever in housing development;
- Allocate £1.000m per annum towards the Information Technology & Digital Future Fund from 2027/28 onward to provide continued investment in the Digital Data and Technology Strategy alongside Transformation Fund resources;
- Allocate £0.750m per annum towards the Commercial Assets Investment Fund (CAIF) to support essential property repairs, maintenance and improvements to existing commercial and agricultural properties to protect and potentially enhance commercial revenue income.
- Allocate £1.000m per annum to the Asset Management Fund (AMF) to support essential property improvements, minimise backlog maintenance, improve sustainability and energy efficiency of buildings where possible, and reduce longer term maintenance costs;
- Allocate a minimum of £2.000m per annum through borrowing to support investment in planned maintenance in operational and social care buildings;
- Assess the potential social value of surplus or underperforming assets against the potential disposal value and where possible maximise the use of assets to enhance social value across a 4-year asset management plan;
- Subject to an assessment of the potential social value, generate capital receipts from the disposal of surplus or under-performing assets and to deploy the proceeds from the sale of capital assets as follows:
 - for investment in transformation and change programmes to improve services and contribute to financial sustainability by using the government's 'capital receipt flexibilities' that allows revenue costs to be capitalised and funded from capital receipts where this generates efficiencies (savings) and improvements, or;
 - for reinvestment in capital investment programme schemes, or;

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- for repayment of debt or for investment, for example, to offset any loss of rental income in the revenue budget;
- Use the net receipts from 'right to buy' sales from council housing to reinvest directly into additional housing supply;
- Use unsupported borrowing for:
 - service improvements where a business case has been developed and approved, and can demonstrate that the investment will provide value for money or return on investment and that the additional financing costs are reflected in the revenue budget;
 - purchase of vehicles and plant where an options appraisal demonstrates that borrowing provides the best value for money and the financing costs are reflected in the revenue budget;
 - investment to support Council Plan priorities where the financial impact of any decision is treated as a commitment in future years' budgets and is affordable;
 - restructuring the funding of the approved capital programme when this provides a more efficient use of capital and revenue resources;
- Explore all funding options including partnerships and one-off bidding processes. The council can bid for capital investment through funding streams such as the National Heritage Lottery Fund, Arts Council, Homes England grants, and the Local Authority Housing Fund (LAHF). The council can also use its land or property to facilitate private sector or partnership based investments or funding bids including brownfield land release schemes;
- Explore capital investment opportunities to support the city's net zero carbon objectives and incorporate in future capital investment plans.

3.2. The financial resources used to fund the 2025/26 capital expenditure programme of £246.946m are included at Annex A and the full 5-year capital investment programme is included at Annex D.

Housing Revenue Account (HRA)

- 3.3. The HRA Capital Strategy focuses on meeting the Council Plan (2023-27) priorities and Housing Strategy priorities. The Council Plan 'Homes for Everyone' outcome aims to: improve housing quality, increase housing supply and improve housing support for residents. This includes to: Invest in building and fire safety to meet new duties under the Building Safety Act; Ensure the council complies with anticipated new social housing regulations; Improve the energy performance of council homes through our capital works programme; Improve the sustainability of our housing stock; Increase the number of new affordable homes delivered by the council and other registered providers, and; Buy back council homes sold through the right to buy policy. These key priorities of the Council Plan and the council's Housing Strategy inform the Housing Revenue Account Capital Investment Programme 2025/26. An updated Asset Management Strategy is currently being developed for consideration and approval by Cabinet.
- 3.4. The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of homes. The implementation of the proposed capital programme will continue to reflect the significant legislative and regulatory changes impacting social housing landlords following the Grenfell Tower tragedy. This includes substantial investment being undertaken in relation to

building, health and fire safety compliance and in anticipation of the strengthened role of Regulator of Social Housing, ensuring adherence to their Consumer Standards. The programme also looks to provide investment to reduce the carbon footprint of council housing and to increase the number of affordable homes available across the city to help tackle the city's housing crisis. The capital investment proposal covers the following areas:

- Health and safety works
- Delivery of planned and major works programmes
- Sustainability & carbon reduction
- Delivery of additional council homes

- 3.5. In October 2018, the Minister for Housing, Communities & Local Government issued a determination – The Limits on Indebtedness (Revocation) Determination 2018. This came into force on 29 October 2018 and removes the restrictions on borrowing for the HRA. The removal of the 'debt cap' has enabled the potential for substantial growth in the number of homes that can be built or purchased within the HRA with continued investment in the existing housing stock. However, the HRA remains subject to the Prudential Framework and as such all new HRA borrowing decisions will need to be affordable, prudent, and sustainable and therefore will be subject to business cases and viability tests.
- 3.6. Since 2012 the HRA has operated on 'self-financing' principles and the capital programme is funded from a variety of HRA sources including revenue surpluses (rental incomes), borrowing, capital receipts, reserves, and other grants. These resources are part of the HRA ring-fenced account to be spent on council-owned stock. Further detail on the priorities and proposed investments can be found in the 'HRA Budget and Capital Investment Programme 2025/26 and Medium Term Financial Strategy' report.

4. Capital Investment Plans 2025/26 to 2029/30

- 4.1. All capital expenditure plans are approved in accordance with the council's Standard Financial Procedures by full Council with detailed proposals and any changes approved by Cabinet through either separate project reports or as part of regular Targeted Budget Management (TBM) reports.
- 4.2. The capital investment plans for 2025/26 to 2029/30 are included in the MTFS at Appendix 4 of the budget report. Summary tables of capital investment plans for 2025/26 to 2029/30 by directorate are included at Annex D.

5. Approach to Non-Treasury Investments

- 5.1. The council's primary non-treasury investments relate to its commercial property portfolio, details of which are covered in Section 6 of the strategy.
- 5.2. The council uses its property assets, both operational and investment, to enable a number of major infrastructure projects to deliver key assets for the city such as the King Alfred Leisure Centre; or to support regeneration to enable housing and business development and in turn increase council tax and business rates receipts such as the Moulsecoomb Hub development and the Black Rock site.
- 5.3. In addition, the council is able to provide third party loans and financial guarantees in order to enable external projects which support Council Plan priorities and

outcomes. The current portfolio and risks of these types of arrangements are outlined in sections 7 and 8 of the strategy.

- 5.4. Whilst income generation is often necessary to support the business case of certain capital investments, the council will not invest in activities where the primary purpose is to generate a yield. The council may, however, invest in existing commercial assets (such as the existing investment property portfolio) where investment is required to maintain the assets and therefore protect the income streams. This approach is in response to both HM Treasury's change to PWLB lending arrangements and CIPFA's revision of the Prudential and Treasury Management Codes.
- 5.5. All non-treasury investment opportunities are subject to a due diligence process, including business case appraisal, risk assessment and sensitivity analysis and assessment of legality including state aid compliance.
- 5.6. All proposals are approved by Cabinet and the delivery of major schemes is overseen by the officer-led Capital Programme Board.

6. Investment Property Portfolio

- 6.1. The council has a total portfolio of commercial property assets valued at £280m generating an annual income of £12.3m which is therefore an important income source supporting council services. These figures are based upon the value as at the end of March 2024. The council maintains a Corporate Property Strategy and Asset Management Plan (due for revision) which links the council's property holdings to its corporate priorities and strategic goals. The key aims outlined in these documents are to maximise income whilst supporting improved service delivery. Its corporate property objectives include "*to optimise the value received from non-operational urban and agricultural commercial portfolios*".
- 6.2. One of the strategies had been to re-balance the urban portfolio through a programme of disposals of under-performing assets and investing in primary assets generating a healthy income to support service delivery. However, the changes introduced by HM Treasury and CIPFA remove the council's ability to be able to invest in new commercial assets through borrowing.
- 6.3. Before the pandemic, the council's urban commercial portfolio had performed well, with low levels of voids, arrears and bad debt. Despite the economic impact of the pandemic, performance in most sectors, including retail and industrial, has remained strong, however there is currently a high level of voids within the multi-let office properties. In addition, there are a number of tenants on payment plans having deferred their rent payments to assist their financial cashflow. The council is therefore holding a higher level of debt which is at risk.
- 6.4. In addition to the impact of the pandemic, the portfolio has inherent risks within it, which include:
 - An unbalanced portfolio with an over-reliance on one market sector;
 - An over-reliance on retail, which is experiencing significant change and a downturn in performance due to external factors;
 - A high level of tertiary properties with low covenant tenants who are at higher risk of failure;
 - An older and aging portfolio with high levels of obsolescence and repair requirements as well as investment needs to meet statutory compliance;

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- A high level of secondary and tertiary properties with limited prospect of rental growth.
- 6.5. There is an increased risk of voids and bad debt, low income growth and even a potential decline in income in some areas as well as an increased capital investment requirement from the council as a result of the current balance of the portfolio. Options will be explored in order to mitigate the risk as outlined above and the establishment of the Commercial Asset Investment Fund from 2024/25 will support this.
- 6.6. The table below shows the current composition of the commercial property portfolio according to both property value and income. The table demonstrates that the retail sector (including Primary, Secondary, Tertiary and Neighbourhood Shops) comprises 39% of the income stream from commercial property.

| Portfolio | | Income | Income as a % of total income | Property Value | Value as % of total Value | Average Yield of portfolio |
|---|-------------------------------------|---------------|-------------------------------|----------------|---------------------------|----------------------------|
| | | £'000 | | £'000 | | |
| Agricultural | All | 886 | 7.42% | 62,450 | 31.31% | 1.42% |
| Seafront | Commercial properties & concessions | 2,634 | 22.05% | 32,721 | 16.40% | 8.36% |
| | Chalets & beach huts | 100 | 0.84% | | | |
| Commercial property managed by Avison Young | Prime Shops | 2,112 | 17.68% | 104,297 | 52.29% | 7.98% |
| | Secondary Shops | 1,532 | 12.82% | | | |
| | Tertiary Shops | 723 | 6.05% | | | |
| | Neighbourhood Shops | 332 | 2.78% | | | |
| | Offices | 792 | 6.63% | | | |
| | Industrial | 1,081 | 9.05% | | | |
| | Leisure | 198 | 1.66% | | | |
| | Miscellaneous | 272 | 2.28% | | | |
| | Residential | 57 | 0.48% | | | |
| | Telecoms | 8 | 0.07% | | | |
| | New England House | 1,161 | 9.72% | | | |
| | Car Parking / Garages | 60 | 0.50% | | | |
| Total | | 11,948 | 100% | 199,468 | 100% | 5.92% |

Note – the table excludes a number of sites managed “in-house” such as community centres, car parks and legacy sites owned by the council.

- 6.7. The council’s Corporate Property Strategy and Asset Management Plan is to be reviewed and redrafted for presentation to Members for consideration and ratification. In advance of this, any disposals which seek to mitigate risk will be identified on a case-by-case basis. The council holds contracts with Avison Young to manage its urban portfolio and Savills to manage its agricultural portfolio. A key

provision within these contracts is for the providers to work with the in-house property team to identify appropriate assets for disposal.

- 6.8. Any opportunities explored that result in an expected asset disposal are presented and approved by Cabinet in accordance with the council's Scheme of Delegation and executed in accordance with the council's Financial Regulations.

7. Loans to External Bodies

- 7.1. The council has the ability to provide capital loans to external bodies and organisations for the purpose of supporting activities undertaken that are aligned to the council's Local Plan and/or service objectives. For example, a loan may be given to support a project which generates economic growth in Brighton and Hove.

Governance

- 7.2. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 direct that a loan to an external organisation to fund any expenditure that would be treated as capital expenditure if it were incurred by the local authority must be treated as capital. As a result, all loans to external parties are subject to the governance requirements of all capital expenditure incurred by the council, as described in section 2 of the strategy.

Decision making & procedure

- 7.3. Loans to external organisations are therefore considered on a case-by-case basis and are subject to a thorough due diligence process to ensure:
- the business plan receives adequate scrutiny by finance, legal and service officers, including external advisory where necessary, in order to evaluate the level of risk;
 - the loan is compliant with the Subsidy Control regime;
 - the recipient of the loan can afford the repayments.
- 7.4. As all external loans are classed as capital expenditure, Cabinet is ultimately responsible for agreeing the loan as part of the capital programme and will receive a report outlining the relative risks, benefits and financial and legal implications in each instance.
- 7.5. The council has an obligation to review all outstanding loans to external bodies as under accounting requirements it is required to review the risk of non-repayment of all outstanding debt and make a provision for impairment where there is a probability that part or all of a loan will be irrecoverable.
- 7.6. No overall parameters have been set on the total loan value that can be provided to external bodies which are assessed and agreed on a case-by-case basis.

Current portfolio

- 7.7. The council has the following loans to external bodies outstanding as at 31 December 2024:

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| Organisation | Loan Value at 31 Dec 2024 £m | Purpose of loan & link to council priorities / service objectives | Meeting at which loan approved |
|---|------------------------------|---|---|
| The i360 Company | 0.000 | To build the i360 observation tower, unlocking economic regeneration on the seafront and increasing business rate income. | (1) Cabinet 23 January 2025. |
| Wave Community Bank (formerly East Sussex Credit Union) | 0.250 | To increase the reserves base for the organisation to increase affordable lending to local people and businesses, and to increase the provision of crisis loans to Brighton and Hove residents. | (1) PR&G Committee, 21 January 2016 (2) Extended to March 2036 by Policy & Resources Committee on 16 March 2023. |
| Housing Joint Venture | 0.440 | Joint venture partnership with Hyde Housing Association for the delivery of 1,000 affordable homes within the City. £0.190m is planned to be repaid during 2024/25. | (1) PR&G Committee, 12 October 2017 (2) P&R Committee 21 October 2020 (3) Cabinet 21 June 2024 |
| Royal Pavilion & Museum Trust | 3.000 | To provide a cash-flow loan facility for the Royal Pavilion and Museum Trust. | Cabinet, 21 June 2024 |
| Brighton Dome & Brighton Festival Ltd | 2.704 | To support the capital redevelopment works to the Corn Exchange and Studio Theatre. | P&R Committee 13 October 2016 |

- 7.8. The i360 company went into administration in December 2024 owing £51.040 million. At the time of writing, the administrators are concluding negotiations with a prospective buyer; part of the proposed transaction is that the council releases its loan security on the facility. This decision was considered and approved at Cabinet on 23rd January 2025. The General Fund budget for 2025/26 includes £2.200 million per annum to cover the interest and the write down of the loan over the original loan period to 2041.
- 7.9. The council has provided £3.0m through a cash flow loan facility to the Royal Pavilion & Museums Trust (RPMT) to be repaid over a maximum period of 10 years. This was agreed at the Special P&R Committee of 30 July 2020 in response to the potential cash flow impacts of the pandemic.
- 7.10. The council has provided a loan of £2.704m to Brighton Dome & Brighton Festival Ltd toward capital works for the redevelopment of the Corn Exchange and Studio Theatre. The loan supported match funding toward a successful National Heritage Lottery and Arts Council grant for the project.

8. Financial and other Guarantees

- 8.1. The council has provided guarantees against the underlying performance of the following arrangements:

- ***Brighton & Hove Seaside Community Homes (BHSC)***

The council has provided a rent guarantee to underwrite the rental income where Local Housing Allowance rates do not keep pace with inflation. The cumulative amount outstanding as at the 31st March 2024 under this rent guarantee was £1.605m. The contract stipulates that the rent guarantee will be returned to the council when BHSC achieves a level of surpluses as defined by the contract and business plan. However, a joint Housing and Policy & Resources Committee on 27 February 2023 agreed to explore options to end the Local Delivery Vehicle (BHSC) and return properties to council control.

9. Other schemes

The primary objectives of the following schemes are not for financial return purposes, but to support meeting the council's strategic priorities for the city. However, each project is expected to create net revenue income for the council and have therefore been included for completeness.

Housing Joint Venture

- 9.1. The council has entered into a joint venture with Hyde Housing Association for the delivery of 1,000 affordable homes for the city. The Homes for Brighton & Hove LLP's (LLP) business plan and legal arrangements were amended by the former Policy & Resources Committee to enable the new development company delivery model for developments. The business plan adopts the development company model for all future projects with HBH developing homes and selling back to the Council and Hyde.
- 9.2. The funding structure for the developments still requires the council to provide the LLP loan equity under the signed loan facility agreements; these are provided to the LLP based on cashflow requirement and repaid in full when the developments are more mature. The main source of funding for the council is via the HRA whereby sales agreements are entered into, with the LLP disposing of the homes. Profits are then distributed back to the council and Hyde accordingly.
- 9.3. The HRA investment is included in the capital programme and funded by HRA borrowing and external funding when agreed.
- 9.4. The first 2 sites at Coldean Lane and Portslade have completed and delivered 346 homes. The approval given was for 50% of the homes to be purchased by the HRA for an investment of up to £41.0m, including fees, and utilising Homes England Grant funding.
- 9.5. The next phase of developments continue to be worked on, with a further 306 homes being developed on the Sackville Trading Estate site and where the council will be purchasing 183 (60%) homes via the HRA which was approved at the June 2024 Cabinet meeting. This site is utilising Homes England Funding and will deliver homes at social rents. Further developments will continue to come forward which will require individual sign-off before progressing to the development stage.

10. Proportionality & Summary of Risk Exposure

- 10.1. The Capital Strategy provides an opportunity to demonstrate the totality and proportionality of the council's non-treasury investments in one place.

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- 10.2. The Prudential Code now requires authorities to report a new indicator showing the expected income from non-treasury investments compared to the net budget. This is shown in the table below.

| Net income from Non-Treasury Investments to Net Revenue Stream | 2025/26 Estimate £m | 2026/27 Estimate £m | 2027/28 Estimate £m |
|---|------------------------------------|------------------------------------|------------------------------------|
| Income from commercial properties | 12.501 | 12.722 | 12.949 |
| <i>Net revenue budget</i> | 264.819 | 277.504 | 286.724 |
| <i>Ratio of net income from non-treasury investments to net revenue budget</i> | 4.72% | 4.58% | 4.52% |

- 10.3. The council's underlying need to borrow is portrayed by its Capital Financing Requirement (CFR). The CFR increases each year by capital expenditure that is not funded by new or existing resources (i.e. results in borrowing). The CFR reduces each year by the MRP set aside to repay borrowing as described in paragraph 1.7.
- 10.4. Any non-treasury investments funded by borrowing will increase the council's CFR. The table below demonstrates the proportion of the General Fund CFR (excluding PFI liabilities) outstanding at 31 March 2024 (and forecast to be outstanding at 31 March 2025) including CFR relating to commercial investments. That is, this represents the outstanding debt relating to the council's commercial activity where MRP has not yet been applied.

| | As at 31/03/24 | Forecast to 31/03/25 |
|-------------------------------|-----------------------|-----------------------------|
| General Assets CFR | 82% | 85% |
| i360 loans | 14% | 11% |
| Phoenix House | 2% | 2% |
| Lyndean House | 2% | 2% |
| Total General Fund CFR | 100% | 100% |

11. Knowledge & Skills

- 11.1. The council's Section 151 Officer has delegated responsibility for the council's treasury and capital activities. This requires the post-holder to be a qualified accountant. The Section 151 Officer is a CIPFA qualified accountant who follows an ongoing programme of Continuous Professional Development (CPD) and is appointed by the full Council.
- 11.2. The council's treasury and capital strategies are produced and maintained by a team of officers who are professionally qualified accountants and who have extensive local authority experience. The council has a contract with Link Asset Services for the provision of specialist advice regarding its treasury investment and borrowing activity and for technical advice. Officers involved in treasury management ensure their knowledge is updated through Continuous Professional Development (CPD).

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- 11.3. All of the council's commercial projects have project teams made up of officers from relevant professional disciplines from across the council. These project teams access external specialist advice regarding commercial projects where required.
- 11.4. The council's investment property portfolios are managed by Savills (agricultural) and Avison Young (Commercial), two of the UK's leading property companies. They administer their contracts for Estates Management Services through the provision of a dedicated team of chartered surveyors who have extensive property knowledge and expertise as well as experience of acting for local authority clients. Each local team is supported by a range of "head office" specialist services within their own organisation, including market experts, planning consultants, H&S/FM services, accountancy, agency and so on, ensuring the council has access to a wide range of services to meet all of our property requirements.
- 11.5. Training is available for members who are responsible for decision making and scrutiny of treasury decisions to ensure their skills and knowledge are kept up to date for their involvement in this area. Training was last provided to members on 19 January 2024, and an online version is available on the Members learning platform. Further training will be arranged as required.

12. S151 Chief Financial Officer Assurance Statement

- 12.1. This Capital Strategy is compiled in line with the requirements of the 2021 CIPFA Prudential Code and the 2021 Treasury Management Code.
- 12.2. The Section 151 Chief Financial Officer has reviewed the strategy against best practice advice from CIPFA and expert advisers and considers the strategy to be prudential, sustainable and affordable within the risk framework of the council and has ensured that it is fully integrated with the council's Medium Term Financial Strategy and Treasury Management Strategy Statement.

List of Annexes:

Annex A – Capital Resources 2025/26

Annex B - List of current non-treasury investments

Annex C - List of planned non-treasury investments

Annex D – Summary tables of Capital Investment Plans for 2025/26 to 2029/30

Capital Resources 2025/26

A fully financed Capital Investment Programme is proposed for 2025/26 assuming that existing approved capital projects spend in-line with approved budgets and planned net usable receipts of £13.184m in total are achieved. Table 1 below shows how the programme can be financed in 2025/26. The position for the years 2026/27 onward is less certain until future Government Grant allocations are confirmed. All Government support is allocated through capital grants and most grants are unringfenced with the exception of Devolved Schools Capital Grant which must be allocated to schools.

| TABLE 1: Capital Resources | 2025/26 £ million |
|---|------------------------------|
| Capital Grants: | |
| - Capital grant announcements from previous years and profiled for spend in 2025/26 | 53.905 |
| - New capital grants | 17.356 |
| Total Government Support | 71.261 |
| Capital Receipts Reserve | 25.768 |
| Capital Reserves | 0.222 |
| Specific Reserves | 1.560 |
| External Contributions | 1.358 |
| Direct Revenue Funding – Housing Revenue Account | 16.449 |
| Direct Revenue Funding – Service Departments | 0.625 |
| Council Borrowing | 129.703 |
| Total Capital Resources | 246.946 |

Capital Grants

The Government distributes capital grants towards the financing of certain capital expenditure. In 2025/26, it is anticipated that the council will receive new capital grants of £17.356m as summarised in Table 2 below, and £53.905m from grants already announced where the spending of these grants is now profiled in 2025/26.

It is possible that other capital grants may be received during the year and these will be reported through TBM budget monitoring reports to Cabinet as and when they are announced.

The new capital grants are in three main areas:

- Education funding of £4.200m (estimated and due to be announced) for investment in the maintenance of educational buildings and Children's Centres;
- Transport funding of £6.600m (estimated and due to be announced) to include transport related schemes and highways maintenance. The grant comes in the form

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of Highways Maintenance and Integrated Transport block grant plus assumed levels of investment for pothole maintenance and support from the Highways Maintenance Incentive fund. There is a further allocation for Local Transport Plans.

- Better Care grant funding that supports the Disabled Facilities Grant programme and Adult Social Care investment to be confirmed.

| TABLE 2: New Grants announced for 2025/26 | £ million |
|--|------------------|
| Education Capital Maintenance * | 3.700 |
| Schools Devolved Capital * | 0.500 |
| Disabled Facilities Grant & Better Care * | 1.500 |
| Highways Maintenance Block Allocation (LTP) * | 1.455 |
| Integrated Transport Block Allocation (LTP) * | 3.045 |
| Pothole Action Fund (LTP) * | 0.500 |
| Highways Maintenance Incentive Fund (LTP) * | 0.300 |
| Additional Local Transport Plan grant | 1.300 |
| Regional Flood and Coast Committee | 0.295 |
| Football Foundation grant | 0.600 |
| Homes England grant HRA | 2.835 |
| Local Authority Housing Fund HRA | 0.823 |
| Brownfield Land Release Funding HRA | 0.323 |
| Energy Grants for HRA | 0.180 |
| Total | 17.356 |

** Funding to be confirmed by government*

Capital Receipts

The funding of the capital investment programme assumes estimated net capital receipts of £13.184m in 2025/26. This includes receipts from the disposal of Patcham Court Farm and Connaught Annex and the lease re-gear at Moulsecoomb Way. There are a number of surplus properties identified for disposal as part of the Residential Property Strategy and the Commercial Investment Property Strategy and a Capital Asset Disposals Strategy will be presented to Cabinet in March 2025, which will include the criteria for disposal of assets and further asset disposal proposals. These receipts are planned for investment in future years' capital programmes. Progress will be closely monitored throughout the year for all receipts and reported through the regular TBM budget monitoring reports. Failure to achieve some of these receipts will require the capital allocations for future years to be reviewed.

The net receipts from 'right to buy' sales are reinvested directly in delivering additional housing.

Capital Reserves

The level of reserves relates purely to unspent resources carried forward from previous years which have already been earmarked for specific schemes. The council monitors these resources over a rolling period by continually updating projections and comparing these against the level of commitments within the approved Capital Investment Programme.

Specific Reserves

Specific reserves will be used to support schemes directly related to the purpose of the reserve or to support corporate priorities. Specific reserves relate to the refurbishment and maintenance of properties managed by the Brighton and Hove Seaside Community Homes with the costs being met in accordance with the housing agreement. The Property service charge reserve will support investment into Phoenix House within the commercial portfolio. The Madeira Terrace crowdfunding reserve supports the Madeira Terraces development. A contribution from the Sports Facilities reserve will support maintenance works at Prince Regent. Finally, the Income Leaseholder and Earmarked Rent reserves will support delivery of the HRA Capital Investment programme.

External Contributions

The council will utilise external contributions totalling £1.358m in 2025/26 associated with donations, partner and private contributions including S106 contributions. Contributions are forecast for the Brighton Museum and Art Gallery Works of £1.023m from Arts Council England. Private donations will support the Royal Pavilion Estate Phase 2 development works.

S106 contributions are forecast for the Moulsecoomb Community Leisure Centre 3G pitch.

Direct Revenue Funding

The General Fund and Housing Revenue Account budget proposals include direct revenue funding of £17.074m. A summary of the allocations by service is shown in the table below.

| TABLE 3: Direct Revenue Funding 2025/26 | £ million |
|---|------------------|
| Schools Services – Structural maintenance for schools | 0.500 |
| Culture & Environment – Stanley Deason All Weather Pitch | 0.050 |
| Culture & Environment – Moulsecoomb Community Leisure Centre 3G Pitch | 0.050 |
| City Infrastructure – Middle Street Surface Drainage System (SuDS) in schools | 0.025 |
| Total General Fund Services | 0.625 |
| Housing Revenue Account | 16.449 |
| Grand Total | 17.074 |

Council Borrowing under the Prudential Code

Council borrowing under the Prudential Code can be undertaken only when it can be demonstrated that it is affordable, for example, where the investment leads to greater efficiency in future service provision and generates revenue savings or reductions in budgeted spend. For 2025/26 it is proposed that the council will undertake borrowing of £129.703m to finance capital expenditure plans as detailed in table 4.

| TABLE 4: Council Borrowing in 2025/26 | £ million |
|---|------------------|
| <i>Homes & Adult Social Care</i> | |
| Housing Revenue Account – 2024/25 | 63.681 |
| Knoll House Resource Centre Supported Housing | 5.776 |
| <i>Families, Children & Wellbeing</i> | |
| Brighton Youth Centre project | 0.495 |
| <i>City Operations</i> | |
| <u><i>Environmental Services</i></u> | |
| Replacement Programme Vehicles | 2.500 |
| Public Conveniences | 0.905 |
| On Street and Communal Bin Infrastructure | 0.500 |
| Hollingdean Depot Office Accommodation and Site Surface | 2.188 |
| Communal Bin and WEE Recycling | 0.597 |
| <u><i>Place</i></u> | |
| New England House Development | 9.618 |
| Madeira Terraces Regeneration project | 9.400 |
| King Alfred Leisure Centre Regeneration project | 2.423 |
| <u><i>Culture & Environment</i></u> | |
| Parks and Open Spaces Investment | 1.050 |
| Pavilion and Mess Room Refurbishment Programme | 0.110 |
| Seafront Railings Upgrade | 0.170 |
| Royal Pavilion Estate Development (Phase 2 Gardens) | 0.050 |
| Prince Regent Capital Works | 0.379 |
| Stanley Deason All Weather Pitch | 0.300 |
| Brighton Centre Essential Maintenance | 1.000 |
| Withdean Sports Complex Swimming Pool | 2.449 |
| Electrical Infrastructure at City Parks Fleet | 0.092 |
| <u><i>City Infrastructure</i></u> | |
| Street Lighting Invest to Save Scheme | 0.900 |
| Seafront Heritage Lighting Renewal Programme | 0.591 |

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| | |
|--|----------------|
| Covered Cycle Racks | 0.055 |
| Determining Emission Category Citywide Vehicle Fleet | 0.030 |
| Valley Gardens Phase 3 | 3.587 |
| Hove Station Footbridge | 0.500 |
| Elm Grove/ Queens Park Road Improvements | 0.400 |
| Zebra 2 – Zero Emissions Buses | 0.555 |
| CCTV Expansion & Upgrade | 0.150 |
| A27 Junction Works (to be approved) | 3.515 |
| <u>Digital Innovation</u> | |
| IT&D Programme and Investment for Desktop and Laptop Replacement Programme | 1.400 |
| Custmomer Digital | 0.580 |
| Local Area Network Hardware Refresh | 0.450 |
| Corporate Support Functions | |
| <u>Finance & Property</u> | |
| Moulsecoomb Hub and Housing – Workstyles Phase 4 | 8.000 |
| Carbon Reduction Measures to Operational Buildings | 1.500 |
| Planned Maintenance for Corporate and Social Care Buildings | 2.000 |
| Planned Maintenance for Corporate Buildings 2024/25 reprofiled | 0.688 |
| Workstyles Phase 4 including Office Accommodation Strategy | 0.416 |
| Schools Energy Efficiency Reinvestment fund | 0.325 |
| Solar Panels Corporate Buildings | 0.358 |
| Water Efficiency Fund | 0.020 |
| Total for Capital Programme | 129.703 |

ANNEX B

List of current non-treasury Investments

This list is reviewed on an on-going basis by finance officers to ensure risks are monitored and updates are escalated through the Capital Programme Board and CLT where required.

| Investment Type | Scheme Name | Value |
|--------------------------------|---|------------|
| Investment Property Portfolio | Urban & Agriculture Property Portfolios | £280.000m* |
| Loan to external body | The Wave Community Bank (formerly ESCU) | £0.250m |
| Loan to external body | Royal Pavilion and Museums Trust | £3.000m |
| Loan to external body | Corn Exchange & Studio Theatre | £2.704m |
| Financial Guarantee | Brighton & Hove Seaside Community Homes | £1.605m** |
| Housing Property Joint Venture | Housing Joint Venture | £0.440m |

* Value as at 31 March 2024

** Estimated value of debtor at 31 March 2024

List of planned non-treasury Investments

This list is reviewed on an on-going basis by finance officers to ensure risks are monitored and updates are escalated through the Capital Programme Board.

Currently there are no non-treasury investments planned.

Summary Tables for Capital Investment Programme 2025/26 to 2029/30

| Capital Investment Programme | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Families, Children & Wellbeing | 10,262 | 1,419 | - | - | - |
| City Operations | 55,328 | 14,345 | 6,810 | 5,123 | 2,540 |
| Homes & Adult Social Care - HRA | 45,275 | - | - | - | - |
| Homes & Adult Social Care | 6,897 | 500 | 500 | 500 | 500 |
| Corporate Support Functions | 14,968 | 532 | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| Families, Children & Wellbeing | 4,700 | 4,650 | 4,600 | 4,600 | 4,600 |
| City Operations | 33,442 | 23,610 | 9,924 | 12,487 | 6,550 |
| Homes & Adult Social Care - HRA | 65,823 | 169,075 | 88,287 | 56,749 | 54,731 |
| Homes & Adult Social Care | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Corporate Support Functions | 8,750 | 8,750 | 6,750 | 6,750 | 3,750 |
| Total | 246,946 | 224,381 | 118,371 | 87,709 | 74,171 |
| <u>Funded by:</u> | | | | | |
| Borrowing | 129,703 | 164,858 | 77,727 | 49,700 | 41,286 |
| Government Grants (non ringfenced) | 18,446 | 13,731 | 8,900 | 8,900 | 8,900 |
| Government Grants (ringfenced) | 52,816 | 9,074 | 2,530 | 2,282 | 2,180 |
| External Contributions | 1,358 | 3,270 | 2,050 | 467 | - |
| Capital Receipts | 25,768 | 15,170 | 8,550 | 7,404 | 2,500 |
| Capital Reserves | 222 | - | - | - | - |
| Specific Reserves | 1,560 | 1,000 | 1,000 | 1,000 | 1,000 |
| Direct Revenue Funding | 625 | 500 | 500 | 500 | 500 |
| Revenue contribution to capital (HRA self financing) | 16,449 | 16,778 | 17,114 | 17,456 | 17,805 |
| Total Funding | 246,946 | 224,381 | 118,371 | 87,709 | 74,171 |

Appendix 5 – Capital Strategy

| | Year 1 Budget | Year 2 Budget | Year 3 Budget | Year 4 Budget | Year 5 Budget |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Families, Children & Wellbeing | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Brighton Youth Centre | 495 | - | - | - | - |
| New Pupil Places (Basic Need) | 6,375 | - | - | - | - |
| Universal Free School Meals | 192 | - | - | - | - |
| High Needs Provision Capital | 3,000 | 1,419 | - | - | - |
| Childcare Expansion Capital Grant | 200 | - | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| Education Capital Maintenance Grant | 3,700 | 3,650 | 3,600 | 3,600 | 3,600 |
| Devolved Formula Capital Grant | 500 | 500 | 500 | 500 | 500 |
| Structural Maintenance Contribution | 500 | 500 | 500 | 500 | 500 |
| Total Families, Children & Wellbeing | 14,962 | 6,069 | 4,600 | 4,600 | 4,600 |

| | Year 1 Budget | Year 2 Budget | Year 3 Budget | Year 4 Budget | Year 5 Budget |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| City Operations | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Redevelopment of King Alfred Swimming Pool | 52 | - | - | - | - |
| Madeira Terraces Regeneration - Project Support | 9,650 | 492 | - | - | - |
| Madeira Terraces Crowd Funding Contribution | 460 | - | - | - | - |
| Madeira Terraces Bequest Funding | - | 30 | - | - | - |
| King Alfred Leisure Centre Regeneration Project | 2,423 | - | - | - | - |
| Public Conveniences | 905 | - | - | - | - |
| On-Street and Communal Bin Infrastructure | 500 | 250 | 250 | - | - |

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| | | | | | |
|--|-------|-------|-------|-------|-------|
| Hollingdean Depot Office Accommodation | 2,188 | - | - | - | - |
| NZF - Improving WEEE recycling | 9 | - | - | - | - |
| NZF - Improving the Communal Bin System | 588 | - | - | - | - |
| Weekly Food Waste Collections Capital Grant | 2,444 | - | - | - | - |
| Procurement of Vehicles | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Integrated Transport Schemes (LTP) | 300 | - | - | - | - |
| Bridge Strengthening and Assessment | 781 | 781 | - | - | - |
| Street Lighting Maintenance (LTP) | 900 | - | - | - | - |
| Major Projects (LTP) | 39 | - | - | - | - |
| Valley Gardens Phase 3 (LTP) | 7,544 | 2,557 | - | - | - |
| Hove Station Footbridge | 500 | - | - | - | - |
| Covered Cycle Racks | 55 | - | - | - | - |
| Safer Streets Fund Streetlighting | 18 | - | - | - | - |
| Seafront Heritage Lighting Renewal Programme | 591 | - | - | - | - |
| Active Emergency Travel Fund - Tranche 3 | 1,000 | - | - | - | - |
| Bus Service Improvement Scheme | 3,220 | - | - | - | - |
| NZF - Determining Emission Category Citywide Vehicle Fleet | 30 | 30 | - | - | - |
| Active Emergency Travel Fund - Tranche 4 | 3,064 | - | - | - | - |
| Safer Road Fund Round 3 - A2010 Brighton | 300 | - | - | - | - |
| Elm Grove / Queens Park Road | 400 | - | - | - | - |
| Zebra 2 - Zero Emissions Buses | 3,448 | - | - | - | - |
| Traffic Signal Obsolescence Grant | 59 | - | - | - | - |
| CCTV Expansion & Upgrade | 150 | 150 | 150 | - | - |
| Middle Street SuDs in Schools | 330 | - | - | - | - |
| Downland Initiative Programme | 10 | - | - | - | - |
| Pavilion and Mess Room Refurbishment Programme | 110 | 109 | 950 | 1,400 | - |
| Stanmer Pond Restoration & Access Improvement | - | 76 | - | - | - |
| Parks and Open Spaces Investment | 1,050 | 650 | 1,420 | - | - |
| NZF - Electrical Infrastructure at City Parks Fleet | 92 | - | - | - | - |
| Brighton Museum & Art Gallery Works | 1,023 | - | - | - | - |

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| | | | | | |
|---|---------------|---------------|---------------|---------------|--------------|
| Royal Pavilion Estate Development (Phase 2 Gardens) | 1,255 | 3,700 | 500 | 183 | - |
| Seafront Railings Upgrade | 170 | - | - | - | - |
| Prince Regent Capital Works | 600 | - | - | - | - |
| Withdean Sports Complex Swimming Pool | 100 | - | - | - | - |
| Moulsecoomb Community Leisure Centre 3G Pitch | 750 | - | - | - | - |
| Stanley Deason Leisure Centre – All Weather Pitch | 450 | - | - | - | - |
| Brighton Centre Essential Maintenance | 1,000 | 1,000 | - | - | - |
| IT&D FIT Programme | 400 | 100 | - | - | - |
| IT Equipment for Members | 40 | 40 | 40 | 40 | 40 |
| Laptop Refresh 2023-25 | 1,000 | 250 | - | - | - |
| IT&D Data Program | 100 | - | - | - | - |
| IT&D Projects | 400 | 250 | - | - | - |
| Customer Digital | 2,330 | 1,380 | 1,000 | 1,000 | - |
| Customer Digital Programme - Comms website | - | - | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| New England House - City Deal | 9,618 | - | - | - | - |
| Strategic Investment Fund | 250 | 250 | 250 | 250 | 250 |
| Local Transport Plan - Capital Grant | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| Pothole Action Fund - Capital Grant | 500 | 500 | 500 | 500 | 500 |
| Incentive Funding - Highways Capital Grant | 300 | 300 | 300 | 300 | 300 |
| Enhanced LTP grant | 1,300 | - | - | - | - |
| Marina to River Adur Coast Protection Works | 10,400 | 8,000 | - | - | - |
| A27 Junction Improvements | 3,515 | 2,800 | 3,374 | 5,937 | - |
| Royal Pavilion Estate Development (Phase 3 Museum) | - | 4,000 | - | - | - |
| Withdean Sports Complex Swimming Pool (Unapproved) | 2,349 | 3,000 | - | - | - |
| Local Area Network Hardware Refresh | 450 | - | - | - | - |
| IT&D Data Programme | 260 | 260 | - | - | - |
| IT&D Fund | - | - | 1,000 | 1,000 | 1,000 |
| Total City Operations | 88,770 | 37,955 | 16,734 | 17,610 | 9,090 |

Appendix 5 – Capital Strategy

| | Year 1 Budget | Year 2 Budget | Year 3 Budget | Year 4 Budget | Year 5 Budget |
|---|------------------|------------------|------------------|------------------|------------------|
| Homes & Adult Social Care - HRA | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Feasibility & Design - Housing Investment | (27) | - | - | - | - |
| Windlesham Close | 2,715 | - | - | - | - |
| Doors | 962 | - | - | - | - |
| Solar PV City Wide | (800) | - | - | - | - |
| Fire Safety | 1,500 | - | - | - | - |
| New Build Refurbishment (Converting Spaces in Existing Buildings) | 392 | - | - | - | - |
| Structural Repairs | 13,604 | - | - | - | - |
| External Decorations & Repairs | 250 | - | - | - | - |
| House Purchase Scheme | 3,129 | - | - | - | - |
| Housing Joint Venture Purchase | (1,818) | - | - | - | - |
| Extended Home Purchase Scheme | 2,179 | - | - | - | - |
| Palace Place Redevelopment | 2,119 | - | - | - | - |
| Frederick Street | 80 | - | - | - | - |
| Rotherfield Crescent | 963 | - | - | - | - |
| Eastergate Road | 5,886 | - | - | - | - |
| Kubic Apartments | 35 | - | - | - | - |
| EICR Compliance Programme | (1,521) | - | - | - | - |
| Hollingbury Library | 2,988 | - | - | - | - |
| Portslade Village Centre | 12,639 | - | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| HRA Capital Investment Programme 2025-26 | 65,823 | - | - | - | - |
| HRA Capital Investment Programme 2026-27 | - | 169,075 | - | - | - |
| HRA Capital Investment Programme 2027-28 | - | - | 88,287 | - | - |
| HRA Capital Investment Programme 2028-29 | - | - | - | 56,749 | - |

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| | | | | | |
|--|----------------|----------------|---------------|---------------|---------------|
| HRA Capital Investment Programme 2029-30 | - | - | - | - | 54,731 |
| Total Homes & Adult Social Care - HRA | 111,098 | 169,075 | 88,287 | 56,749 | 54,731 |

| Homes & Adult Social Care | Year 1 Budget | Year 2 Budget | Year 3 Budget | Year 4 Budget | Year 5 Budget |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Knoll House Building Works | 5,776 | - | - | - | - |
| LDV On-Going Costs - Community Homes (B&HSCH) | 500 | 500 | 500 | 500 | 500 |
| Travellers Site Fund | 502 | - | - | - | - |
| Housing IT Strategy | 120 | - | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| Better Care Funding - Capital Grant | 500 | 500 | 500 | 500 | 500 |
| Disabled Facilities Grant (Better Care Funding) - Capital Grant | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Homes & Adult Social Care - GF | 8,397 | 2,000 | 2,000 | 2,000 | 2,000 |

| Corporate Support Functions | Year 1 Budget | Year 2 Budget | Year 3 Budget | Year 4 Budget | Year 5 Budget |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
| <u>Approved Schemes</u> | | | | | |
| Statutory DDA Access Works Fund | 35 | - | - | - | - |
| Corporate Fire Risk Assessments | 70 | - | - | - | - |
| Legionella Works | 25 | - | - | - | - |

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| | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| Madeira Terrace Structural Repairs | 75 | - | - | - | - |
| Solar Panels Corporate Buildings | 358 | - | - | - | - |
| Cemeteries Structural Works | 65 | - | - | - | - |
| Workstyles Phase 4 | 416 | - | - | - | - |
| Building Security | 13 | - | - | - | - |
| Moulsecoomb Hub and Housing – Workstyles 4 | 11,313 | - | - | - | - |
| NZF - Schools Energy Efficiency Reinvestment fund | 325 | - | - | - | - |
| NZF - Water Efficiency Fund | 20 | - | - | - | - |
| NZF - Carbon Reduction Measures to Operational Buildings | 1,500 | 532 | - | - | - |
| Hove Town Hall PMB | 189 | - | - | - | - |
| Imperial Arcade PMB | 39 | - | - | - | - |
| Mile Oak Community Centre PMB | 120 | - | - | - | - |
| Historic Madeira Lift PMB | 50 | - | - | - | - |
| Corporate Landlord Essential works | 150 | - | - | - | - |
| Computer Aided Facilities Management (CAFM) System | 50 | - | - | - | - |
| Access Improvements to Corporate Buildings | 155 | - | - | - | - |
| <u>Identified Schemes Not Yet approved</u> | | | | | |
| Managing Staff Changes (Restructure / Redundancy) | 1,250 | 1,250 | 500 | 500 | - |
| Modernisation Enablers | 1,150 | 1,150 | 1,000 | 1,000 | - |
| Invest to Save (4-year plans) | 2,600 | 2,600 | 1,500 | 1,500 | - |
| Asset Management Fund | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Planned Maintenance of operational buildings | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Planned Maintenance - Social Services Buildings | 500 | 500 | 500 | 500 | 500 |
| Commercial Asset Investment Fund (CAIF) | 750 | 750 | 750 | 750 | 750 |
| Total Corporate Support Functions | 23,718 | 9,282 | 6,750 | 6,750 | 3,750 |

