

LONDON BOROUGH OF CROYDON

REPORT:	Cabinet	
DATE OF DECISION	22 February 2023	
REPORT TITLE:	Capital Programme and Capital Strategy 2022/23 to 2026/27	
CORPORATE DIRECTOR	Corporate Director of Resources and Section 151 Officer	
LEAD OFFICER:	Jane West Corporate Director of Resources and Section 151 Officer	
LEAD MEMBER:	Cllr Jason Cummings – Lead Member for Finance	
DECISION TAKER:	Executive Mayor in Cabinet	
AUTHORITY TO TAKE DECISION:	Cabinet Report	
KEY DECISION? [Insert Ref. Number if a Key Decision]	Yes	REASON: Key Decision – Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council’s budget for the service or function to which the decision relates and Key Decision – Decision significantly impacts on communities living or working in an area comprising two or more Wards
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1** This report sets out the updated capital programme for 2023/24-2026/27 for the Council’s General Fund with a forecast of resources available over that period. A specific update of the 2022/23 programme including the forecast and variance as at Period 8 is also provided.
- 1.2** This report is a step-change from previous reporting on capital budgets as this now is a stand-alone Report as part of the Budget suite of papers taken to Full Council. Capital Budgeting setting has improved considerably to previous years and this stand-alone report allows for increased transparency and

clearly showcases key projects the Council aims to deliver to support Croydon residents.

- 1.3 The Capital Programme sets out the strategic direction for Croydon's capital management and investment plans, as detailed in Appendix A, and is an integral part of the medium to long term financial and service planning and budget setting process. It sets out the principles for prioritising the capital investment under the prudential system. Prudential indicators which are required under the 2020 Prudential Code are included within the Treasury Management Strategy provides as a separate Agenda Item to the Cabinet meeting.
- 1.4 The Council continues to deliver significant capital investment across the Borough which will provide improved facilities and infrastructure, whilst ensuring the impact on debt costs within the revenue budget is managed.
- 1.5 Croydon's drivers for the Capital Programme are:



2 RECOMMENDATIONS

For the reasons set out in the report and its appendices, The Executive Mayor in Cabinet, recommended to approve and to recommend the following to Full Council:

- 1.6 Agree the Council's 2023/24 to 2026/27 General Fund Capital Programme which includes planned expenditure of £305.67m (including capitalisation directions) across the four years.
- 1.7 Note that the Council will incur borrowing of £169.53m (including £162m of Capitalisation Direction) in 2022/23, with further borrowing projected of

£45.82m in 2023/24 and £28.36m over the three years after 2023/24. The cost of this borrowing is factored into the Council's Medium Term Financial plan resulting in 2023-24 total interest charge and Minimum Revenue Provision of £61.3m

- 1.8 Approve the Council 2023/24 Housing Revenue Account Capital Programme with a total investment planned of £32.62m with borrowing of nil.
- 1.9 Approve the Council's Capital Strategy, drafted with the support of PwC, as detailed within Appendix A of this report.

3 REASONS FOR RECOMMENDATIONS

- 1.10 The Cabinet and Full Council are required to approve the Council's Capital Programme under the Council's Constitution and all expenditure of £1m requires Cabinet approval for capital spend under the Council's Scheme of Delegation.

4 Background

- 1.11 The Capital Programme has spent over £610m (including £115.8m for Capitalisation Direction in 20/21 and 21/22) over the last three years of which over £450m in borrowing has been incurred to finance the spend.
- 1.12 The Council's key objectives which are set out in the Mayor's Business Plan which can be found on the Council's website under the following link:

<https://democracy.croydon.gov.uk/documents/s41649/6a%20Appendix%20-%20Executive%20Mayors%20Business%20Plan%20FINAL.pdf>

These key objectives comprise:

- 1. The council balances its books, listens to residents, and delivers good, sustainable services.
 - 2. Croydon is a place of opportunity for business, earning and learning.
 - 3. Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
 - 4. Croydon is a cleaner, safer, and healthier place, a borough we're proud to call home.
 - 5. People can lead healthier and independent lives for longer.
- 1.13 Capital investment should evidence how it will support the priorities and principles set out in Business Plan along with individual Directorate strategies. New bids to the Capital Programme have been assessed against the Council's

objectives and the other Capital Strategy drivers outlined within Appendix A as part of the Capital budget setting process.

5 Capital Governance Arrangements

- 1.14** The Council has an established governance arrangement embedded within its current Constitution - Part 4C - Budget and Policy Framework Procedure Rules of the Constitution. The Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework.
- 1.15** Just in the same manner as for the Revenue Budget, the Capital Budgets under Part 4C require a Full Council approval. Part 4H – Financial Regulations provide the governance framework for managing the Council’s financial affairs. They apply to all Members, officers of the Council and anyone acting on its behalf. It is likely to be considered a disciplinary offence to breach these Financial Regulations and procedures.
- 1.16** The Regulations apply to capital budgets and the Chief Financial Officer is responsible for ensuring that a capital programme is set annually along with financial management process to enable capital budgets to be monitored effectively. The Council has produced for the 2022/23 monthly updates to Cabinet on progress of its capital programme to the budget that was set at Full Council in March 2022.
- 1.17** To strengthen the scrutiny and review of Capital delivery and progress against budget, the Council has established a Capital Internal Control Board which meets monthly and consists of key Officers from across the expert areas and services. Whilst the Capital Board is not a formal arrangement within the Constitution, it forms a key part of the improvements being made to capital management within the Council.
- 1.18** The Capital Board provides the added review and scrutiny role on delivery of the capital programme along with submission of new bids. The Board acts as a key gateway to support the Corporate Management Team and the Mayor in making informed decisions whilst ensuring risks are identified and managed.

6 Capital Expenditure

Capital Spend Key Principles

- 1.19** Consideration should be given to the following key principles before submitting a capital bid:

- 1.19.1.** Spend included in business cases must conform to the definition of capital expenditure i.e., “the purchase or enhancement of assets where the benefits last longer than the year of expenditure”. Croydon applies a de-minimis level of £10k meaning that anything below this value individually is classed and treated as revenue.
- 1.19.2.** Given the Council’s challenging financial position, projects coming forward that require Croydon to borrow funding should be kept to a bare minimum.
- 1.19.3.** Feasibility/planning costs must be met from a revenue budget until approval to spend has been agreed through the relevant route, these should therefore be built into the revenue budget and be considered as part of the budget build process.
- 1.19.4.** Ongoing revenue implications must be included within business cases and identified as pressures in the revenue budget.
- 1.19.5.** Realistic profiling of budgets must be provided from the outset. Without this, the limited funding available could be assigned to a project which is delayed, preventing an alternative but more viable project from proceeding. In many cases grants and external funding are time limited and delays in the project could lead to losing precious external funds.
- 1.19.6.** Where the Council is required to provide match funding in order to receive external funding, consideration must be given to Council’s objectives. Is the project sufficiently aligned to meeting the Council’s strategic outcomes to warrant the match funding? The council has identified sufficient resources to match fund these projects. Consideration must also be given to grant or external funding conditions and officer time and cost it will take to comply.
- 1.19.7.** Maximise use of existing assets where it is cost effective to do so. Look for full occupancy of the asset in terms of space and length of time the asset is in use. This could mean looking for synergies with other organisations (for example, the One Public Estate programme with key partners).
- 1.19.8.** Longevity/flexibility of asset – consider how the asset will conform with longer term service delivery plans? Has flexibility of the use of the asset been considered?

1.19.9. Officers and Members must not commit funds until projects have been through the correct governance procedure.

1.19.10. A robust financial, legal, HR equalities and other related impact assessments are needed for the Council's investment decisions.

1.19.11. All schemes must pass through the Capital Board for necessary scrutiny and approval to the next stage. This ensures each project receives a review to assess wider Council implications and to test all relevant matters are discussed and best practice is shared.

Capital Expenditure

1.20 The Council will ensure that appropriate capital budget is allocated on a risk assessed approach, to meet statutory requirements, such as basic need, health and safety, disability discrimination act (DDA) and other legal requirements as directed by Government. Nonetheless, just because there is a statutory requirement, capital bids will still need to explore alternative options to satisfy the affordability requirement. This will need to include proactively seeking external funding, such as grants or alternative contributions to finance capital spend.

1.21 During 2022/23 the year the Council has carried out a detailed review of its Capital budgets which included halting the carrying forward of slippage of programme from 2021/22 until the exercise had been completed. The slippage from 2021/22 has now been approved at the January 2023 Cabinet and the aim of the review exercise was to ensure the Council only carried out schemes that were value for money and met the key criteria for spend under the existing Mayor's Business Plan. Appendix D provides table breaking down the movement of capital budgets across the Directorates since the start of the year and adjustments that were applied to ensure only agreed schemes are delivered.

1.22 The detailed review resulted in £27.03m of budgets being removed from the programme, £5.16m of unapproved slippage and £17.28m of improved re-profiling of budgets to reflect the delivery timeframe of projects. Further review opportunities will be considered next financial year to continue to generate better value of money from deployment of Council resources.

1.23 The Council is projecting to spend £254.54m in 2022/23 and is expecting to spend £125.37m in 2023/24, £88.70m in 2024/25 and further £92.61m in future years after 2024/25. The table below provides a summary level breakdown of spend per Council Directorate with scheme detail provided in Appendix B of this report.

Directorate	2022/23 Budget	Forecast	Variance	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing	4,392	3,038	(1,354)	3,393	2,993		
Assistant Chief Executive	6,965	7,495	530	7,087	2,154	-	-
Children, Young People & Education	7,930	5,325	(2,605)	12,013	11,480	4,200	-
Sustainable Communities, Regen & Economic Development	36,345	26,809	(9,536)	32,906	29,808	24,774	18,632
Resources	8,255	6,330	(1,925)	5,970	4,263	3,500	3,500
Corporate	190,649	190,649	0	63,000	38,000	38,000	
Total General Fund Capital Programme	254,536	239,646	(14,890)	124,369	88,698	70,474	22,132

- 1.24** Capitalisation directions contribute significantly to the Capital Programme, and this spend is necessary to meet the challenges in revenue account, the provision of the direction for years after 2023/24 is a projection and will be re-considered during the year. Table above includes a total of previously approved projects along with new BIDs requested by Directorate for current and future years. Specific schemes where new BIDs have submitted in 2022/23 for future years are provided in Appendix C.
- 1.25** The inclusion of new BIDs has been tested at Capital Internal Control Board to ensure the expenditure plans meet the Council's objectives and provide value for money for Croydon's residents.
- 1.26** The Capital Programme focuses on repairs and maintenance spend to ensure the Council's assets are maintained to decent standards and so they continue to perform in the delivery of the Council services to residents.
- 1.27** Within the Capital Programme the Council is also committing significant monies towards investing in various information technology and property assets so that it leads to an improved service provision whilst ensuring a more cost-effective delivery of services. These investments include upgrading the financial system, procuring enhanced software and hardware to support housing and social care services and providing staff with upgraded equipment to improve productivity.
- 1.28** The Council's ambition to protect educational infrastructure and improve pupil attainment to support the local economy form a large proportion of the capital programme. A total of £35.29m over 4 years is provided for upgrading and expanding schools' infrastructure. This includes the vital investment in Special

Education Need schools to ensure children and their parents have Council support, a key pledge by the Mayor as part of his Business Plan.

- 1.29** A total of £99.68m over 4 years is earmarked to be spent on the Borough's infrastructure ranging from highway maintenance to tree works and working with TfL to deliver the Local Implementation Plan. This investment is important to support the ambition of Croydon becoming a cleaner, safer and healthier place.

Capitalisation Direction

- 1.30** The Council's Medium Term Financial Strategy includes the provision of a capitalisation direction from Government to support the budget gap within the General Fund Revenue Account. Capitalisation Direction allows local authorities to charge its revenue expenditure to capital monies and hence pay for revenue costs using capital funds. Capital funds that can be applied include capital receipts and borrowing and it will be up to the Council to identify the best source at year end.

- 1.31** The capitalisation direction is a relaxation of the accounting convention that ensures that revenue costs should be met from revenue resources only and that councils should not "borrow" or used capital funds to fund revenue expenditure. This does mean that if the Council chooses to borrow to fund its direction, relevant interest costs will be charged to the Council's revenue account along with additional minimum revenue provision charges which will need to be set aside from revenue to pay back the principal repayments for the borrowing.

- 1.32** Croydon has been supported by capitalisation directions of £70m, £50m and £25m for 2020/21, 2021/22 and 2022/23 respectively. These directions have come with specific request from Government which includes:

1.32.1. Any further borrowing from the date of the capitalisation up to and including, but not exceeding, the increase in the financing requirement must be obtained from the PWLB (Public Works Loan Board) and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to and;

1.32.2. The Council shall charge annual Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years

- 1.33** The Council's 2023/24 Financial Plan indicates a £63m gap to its budget requirement and this is being supported by a further capitalisation direction request from Government.

Transformation

- 1.34** The Council's financial challenges have required a review into how services are delivered, and investment opportunities have been identified to deliver the services in a more cost-effective manner. The transformation programme is a key driver for this change and is aimed at improving the Council's systems, processes and structures to ensure it delivers services to its residents with improved value for money outcomes.
- 1.35** Section 16 of the 2022/23 Budget report detailed the Transformation Plan, and the capital programme supports that ambition through the allocation of £4m in 2022/23 to deliver the transformation outcomes. This will be funded using capital receipts as required under Local Government Act 2003 Sections 16 and 20. The Council's asset disposal plan will generate sufficient capital receipts to pay for these transformation costs.
- 1.36** The Council has a further ambitious Transformation plan which is included in Appendix D of the budget report for Medium-Term Financial Strategy report with funding of £10m earmarked within the Revenue budget to support the delivery.

7 Capital Financing

- 1.37** Table below provides a summary of the key funding sources the Council expects to use to pay for the capital spend as indicated in section 6 above.

Funding Source	2022/23 Budget	Forecast	Variance	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CIL	(2,856)	(1,552)	(1,304)	(1,778)	(807)	-	-
s106	(550)	(444)	(106)	(1,605)	(1,159)	(691)	(711)
HRA Contribution	(1,742)	(1,742)	-	(1,147)	-	-	-
Reserves - Growth Zone	(6,888)	(2,971)	(3,917)	(4,900)	(4,900)	(4,900)	(4,900)
Grant	(18,297)	(13,127)	(5,170)	(24,116)	(23,662)	(8,745)	(2,468)
Cap Receipt	(55,049)	(55,049)	-	(45,000)	(50,000)	(50,000)	
Borrowing	(169,153)	(164,761)	(4,393)	(45,823)	(8,170)	(6,138)	(14,053)
Total GF Capital Funding	(253,535)	(239,646)	(14,890)	(124,369)	(88,698)	(70,474)	(22,132)

- 1.38** The capital programme is required to have its own funding sources and whilst revenue resources can be used to fund capital spend, capital funds cannot be used to fund revenue spend.

- 1.39** It is always cost effective for the Council to utilise non-debt financing to fund the capital spend as this does not result in increased revenue costs which include Minimum Revenue Provision and interest charges. However, such alternative sources of funding are not always available to finance projects that are driven by the Council's own priorities. If sufficient capital receipts or revenue are also not available, borrowing becomes a necessity.
- 1.40** The current capital programme relies significantly on debt financing and the implications of this are further explained below. Between 2022/23 to 2026/27 of the capital programme the Council is expected to borrow £247.74m, which represents 43.9% of the total financing sources. Grant funding, at £77.29m, is the next main source of financing the capital programme and this supports education and highway infrastructure spend.
- 1.41** The Council is exploring options to generate further capital receipts and an Asset Management Plan was presented to Cabinet on 30th November 2022 which detailed the delivery plan along with a range of assets the Council is willing to dispose.

Debt Financing

- 1.42** Croydon currently has external borrowing of £1.3bn in the General Fund and a further £0.300bn in the Housing Revenue Account. This means that the Council is already considerably highly leveraged and the MTFS indicates that c£47m is set aside to pay for Minimum Revenue Provision and interest costs. Any further borrowing for the Capital Programme will only add to the debt pile and further increase costs to the revenue account. The projected borrowing of £243.34m represents approximately 19% of additional debt on top of the existing debt balance. This poses considerable future risks particularly to the revenue account because of servicing the debt. Serious consideration on sustainability will need to be assessed and the Treasury Management Strategy further highlights the risk.
- 1.43** When delivering the capital programme, the Council is required to have due regard for the Prudential Code and ensure that the Council's debt levels and borrowing levels do not exceed its own prudential limits. The Code requires councils to formulate plans that are affordable, prudent and sustainable. The MTFS report has made it clear that current debt levels are not sustainable, and the Council has sought extraordinary financial support from Government to ensure the Council's finances are put on a sustainable footing for the future.

8 Housing Revenue Account Capital Programme

1.44 The Housing Revenue Account (HRA) continues to make improvements to with stock management and Council appointed Savills to carry out a detailed review of the capital programme to continue the necessary investment within the Housing Stock.

1.45 The Housing team are developing a full asset management strategy which forms part of the housing transformation plan and will detail the long-term plan for the management of the investment of Council housing assets over a 10 year horizon. The 2023/24 capital programme is provided in table below which supports the development of the asset management strategy aims of meeting the manifesto promise to turn around and provide a housing service which we can be proud of.

HRA Capital Expenditure	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	£'000	£'000	£'000	£'000	£'000
Asset management ICT database	155				
Major Repairs and Improvements Programme	22,083	31,476	32,462	32,967	31,689
Trellis Mews	3,377				
NEC Housing System	1,742	1,147			
Regina Road - if it's a rebuild			14,105	14,105	
Extensive refurbishment on buildings over 60 years old			20,000	20,000	
Fire safety, Damp & Mould			10,000	10,000	
Improving Housing capacity			5,000	5,000	
LPS Blocks additional programme			-	15,300	
HRA Contingency			1,000	600	
Total HRA Capital Expenditure	27,357	32,623	82,567	97,972	31,689

1.46 The scale of social housing is extensive as the plan indicates a total investment of £244.8m between 2023/24 and 2026/27. The programme will deliver extensive repairs and improvement works to the existing housing stock which will improve the living conditions of all tenants. Extensive refurbishment works planned on older buildings along with a whole new re-build of Regina Road Estate is planned to commence next year as key engagement has already taken place with the residents.

1.47 The HRA has capacity within its account to take on more debt and through work done with Savills a sustainable financing solution has been developed by the Housing team to meet the capital expenditure plans. Table below details the key funding sources the HRA has earmarked to apply to the delivery programme which includes a projection of £115.11m of new borrowing which will be fully financed from the revenue account.

HRA Capital Financing	Revised Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve	(12,336)	(15,457)	(14,879)	(15,191)	(15,434)
Revenue	-	(13,900)	(15,443)	(15,615)	(14,072)
Reserves	(13,821)	(1,148)	-	-	-
RTB receipts	-	(2,118)	(2,140)	(2,161)	(2,183)
Grant	(1,200)	-	-	-	-
Borrowing	-	-	(50,105)	(65,005)	-
Total HRA Capital Financing	(27,357)	(32,623)	(82,567)	(97,972)	(31,689)

9 Next Steps and Ongoing Improvements

- 7.1** Over the course of 2022/23 significant issues with regards to capital were addressed. Oversight of the Capital Programme was brought into the corporate finance team where a holistic and council wide approach was provided and which enabled an improved approach to the way capital monitoring and budget setting was consolidated. This has allowed the Council to better profile its budgets over the life of the projects and to present a 4 year capital programme rather than a single year position, which has been the case in the past.
- 7.2** The introduction of the post of Director of Commercial Investment and Capital to act as the Chair of the Capital Internal Control Board provided much needed structure and focus to managing delivery of the capital programme.
- 7.3** However, there is much more to be done and whilst key foundations have been set within the Council to manage the Capital Programme, there are a number of improvements still to implement. As indicated within the Capital Strategy (Appendix A) the Council has a number of key areas of improvement that will need to be addressed. The focus of the capital programme operational arrangements will be to ensure that whilst meeting the requirements as detailed within this report, the further recommendations advised by PwC are also delivered.
- 7.4** Further work will be carried out into improving the Governance arrangements and the preparation of business cases so that they meet key industry standards.

10 IMPLICATIONS

7.5 FINANCIAL IMPLICATIONS

- 7.5.1** Financial implications have been provided through out this report. The Capital Programme has been provided for within the Council's Medium Term Financial Plan.
- 7.5.2** The Council has high costs of borrowing and therefore careful and prudent management of the Capital Budgets is required to avoid unnecessary costs to the Revenue account.
- 7.5.3** The capital program budget reduction over the three financial years is £22.79m and are made up of 2022-23 reduction of £13.16m, a further reduction for 2023-24 is £2.79m and the final year reduction for 2024-25 is 6.84m
- 7.5.4** The approved capital program for 2021-22 was 131.90m of which the total capital slippage request was £25.27m. Due to capital programs not proceeding there was a reduction in the slippage request of £5.16m and a final slippage request of £20.26m.

Comments approved by Alan Layton Interim Head of Service, Finance on behalf of the Corporate Director of Resource. (Date 9/02/2023)

7.6 LEGAL IMPLICATIONS

10.2 LEGAL IMPLICATIONS

- 10.2.1** Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".
- 10.2.2** Under Section 3(1) and (8) of the LGA ("Duty to determine affordable borrowing limit") the Council must determine and keep under review how much money it can afford to borrow, and the function of determining and keeping these levels under review is a Council, rather than an executive function.
- 10.2.3** Sections 15 and 21 (1A) of the LGA requires the Council to have regard to any guidance issued by the Secretary of State and guidance about account practices to be followed in particular with respect to the charging of expenditure to a revenue account. Consequently, the Council is required to have regard to the "Statutory guidance on Local Government Investments 3rd Edition" and the "Statutory guidance on minimum revenue provision" issued under this provision.

10.2.4 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) make provisions for the capital finance and accounts under the LGA 2003. Regulation 2 requires the Council to have regard to the “Prudential Code for Capital Finance in Local Authorities” issued by CIPFA when determining, under section 3 of the LGA, how much money they can afford to borrow. Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, the Council must have regard to the code of practice in “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” issued by CIPFA.

10.2.5 Regulations 25 and 26 provide for expenditure which is, and which is not, to be treated as capital expenditure for the purposes of LGA 2003. Regulation 27 provides that local authorities must charge to a revenue account a minimum amount (“minimum revenue provision”) and may charge to a revenue account an additional amount, in respect of the financing of capital expenditure. The minimum revenue provision is calculated in accordance with regulations 28 to 29.

10.2.6 Under the Council’s Budget and Policy Framework Procedure Rules, the Executive is responsible for the preparation of proposed plans, strategies or budgets that form part of the Budget and Policy Framework, including plans or strategies for the control of the Council’s borrowing or capital requirement. The proposals in this report will therefore form part of proposals for submission to full Council.

10.2.7 Under the Council’s Financial Regulations, the Chief Financial Officer is responsible for ensuring that a balanced revenue budget and capital programme and budget, are prepared on an annual basis.

Comments approved by the Director of Legal Services and Monitoring Officer.

7.7 HUMAN RESOURCES IMPLICATIONS

7.7.1 There are no immediate Human Resources implications arising from this report

Comments approved: by Gillian Bevan, Head of HR Resources and Assistant Chief Executives Directorates 13/1/23

7.8 EQUALITIES IMPLICATIONS

7.8.1 As a public body, the Council is required to comply with the Public Sector Equality Duty [PSED], as set out in the Equality Act 2010. The PSED requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Failure to meet these requirements may result in the Council being

exposed to costly, time consuming and reputation-damaging legal challenges.

- 7.8.2** The Council must, therefore, ensure that we have considered any equality implications in respect of the Capital programme and Strategy. the Council has an established Equality Impact Assessment process, with clear guidance, templates and training for managers to use whenever new policies or services changes are being considered. This approach ensures that proposals are checked in relation to the impact on people with protected characteristics under Equality Act 2010.
- 7.8.3** The objectives of the Mayor's Business plan are focused on delivering good sustainable services and creating opportunities for all residents of Croydon including children and young people. The proposals in the Capital programme are likely to impact on residents, the extent of which and the characteristics most affected can only be identified following further analysis once the proposals have been developed.
- 7.8.4** During the MTFs process, proposals which impact on people are subjected to equality analysis using a data driven approach and offer mitigation to people most affected.
- 7.8.5** We commit to ensuring that we meet our legal requirements under the Equality Act 2010 to our residents including Disabled residents and the parents of Disabled residents in respect of children and young people.
- 7.8.6** We have identified areas of improvement in relation to the collection of data across directorates and are committed to improving this to enable our decisions to be more evidence based and robust.

Approved By: Denise McCausland Equality Programme Manager

7.9 OTHER IMPLICATIONS

None

8. APPENDICES

Appendix A - Capital Strategy 2023/24
Appendix B - 2023/24 to 2026/27 CAPITAL PROGRAMME
Appendix C - New BIDS 2022-27 CAPITAL PROGRAMME
Appendix D - Movement in Capital Budget in 2022/23

9. BACKGROUND DOCUMENTS

None

Appendix A – Capital Strategy 2023/24

Appendix B – 2023/24-26/27
CAPITAL PROGRAMME

REVISED CAPITAL PROGRAMME

CAP BID No.	PROJECT NAME	SPEND and Funding TYPE	2022/23	2023/24	2024/25	2025/26	2026/27
			(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
GF CAP 04	Disabled Facilities Grant	Spend	3,992	2,993	2,993	-	-
GF CAP 04	Disabled Facilities Grant	Grant	-3,992	-2,993	-2,993	-	-
GF CAP 05	Empty Homes Grants	Spend	400	400	-	-	-
HOUSING			400	400			

GF CAP 03	Bereavement Services	Spend	1,775	-	-	-	-
GF CAP 92	Bereavement Service Vehicles	Spend	39	-	-	-	-
GF CAP 85	My Resources Interface Enhancement)	Spend	75	185	-	-	-
GF CAP 86	Network Refresh	Spend	141	335	626	-	-
GF CAP 87	Tech Refresh	Spend	610	300	160	-	-
GF CAP 88	Geographical Information Systems	Spend	65	260	-	-	-
GF CAP 90	Laptop Refresh	Spend	222	3,349	1,264	-	-
GF CAP 91	Cloud and DR	Spend	198	221	104	-	-
GF CAP 89	Synergy Education System	Spend	1,030	673	-	-	-
GF CAP 66	Uniform ICT Upgrade System	Spend	130	-	-	-	-
GF CAP 93	NEC Housing System	Spend	2,680	1,764	-	-	-
GF CAP 93	NEC Housing System	HRA	-1,742	-1,147			
ASSISTANT CHIEF EXECUTIVE			5,223	5,941	2,154	-	-

GF CAP 08	Education – Fire Safety Works	Spend	776	152			
GF CAP 08	Education – Fire Safety Works	Grant	-776	-152			
GF CAP 09	Education - Fixed Term Expansions	Spend	747	2,540	2,993		
GF CAP 09	Education - Fixed Term Expansions	Grant	-747	-2,540	-2,993		

GF CAP 10	Education - Major Maintenance	Spend		4,062	4,200	4,200	4200	
GF CAP 10	Education - Major Maintenance	Grant		-4,062	-4,200	-4,200	-4200	
GF CAP 11	Education - Miscellaneous	Spend		134				
GF CAP 11	Education - Miscellaneous	CIL		-134				
GF CAP 12	Education - Permanent Expansion	Spend		319				
GF CAP 12	Education - Permanent Expansion	Grant		-319				
GF CAP 13	Education – Secondary Estate	Spend		39				
GF CAP 14	Education – Secondary Estate	Grant		-39				
GF CAP 14	Education - SEN	Spend		1,853	4,792	4,287		
GF CAP 14	Education - SEN	Grant		-947	-4,521	-4,287		
GF CAP 14	Education - SEN	CIL		-906	-271			
GF CAP 79	Angel Lodge Children Home	Spend			329			
GF CAP 79	Angel Lodge Children Home	Grant			-329			
CHILDREN'S, YOUNG PEOPLE & EDUCATION				0	0	0	0	0

GF CAP 15	Allotments	Spend		200				
GF CAP 73	Fairfield Halls-Council Fixtures & Fittings FFH	Spend		574				
GF CAP 25	Growth Zone	Spend		5,988	4,000	4,000	4,000	4,000
GF CAP 25	Growth Zone	Growth Zone		-5,988	-4,000	-4,000	-4,000	-4,000

GF CAP 26	Grounds Maintenance Insourced Equipment	Spend		1,000	200			
GF CAP 27	Highways	Spend		8,618	8,618	8,618	8,618	8,618
GF CAP 29	Highways - flood water management	Spend		895	435	435	435	435
GF CAP 30	Highways - bridges and highways structures	Spend		2,611	1,663	2,663	5,513	
GF CAP 30	Highways - bridges and highways structures	Grant		-1,008	-1,163	-1,463	-2,013	
GF CAP 30	Highways - bridges and highways structures	CIL		-1200				
GF CAP 31	Highways - Tree works	Spend		56				
GF CAP 31	Highways - Tree works	Spend		-56				
GF CAP 81	Local Authority Tree Fund	Spend		96	67	67	67	
GF CAP 81	Local Authority Tree Fund	Grant		-96	-67	-67	-67	
GF CAP 82	Trees Sponsorship	Spend		46				
GF CAP 82	Trees Sponsorship	Grant		-46				
GF CAP 84	Leisure centres equipment Contractual Agreement	Spend		430	146	337	585	0
GF CAP 83	Leisure Centre - Tennis Court	Spend		75				
GF CAP 33	Leisure Equipment Monks Hill Gym	Spend		306	165			
GF CAP 34	Libraries Investment - General	Spend		224	807	807		
GF CAP 34	Libraries Investment - General	CIL			-807	-807		
GF CAP 80	Central Library Digital Discovery Zone	Spend			175			
GF CAP 80	Central Library Digital Discovery Zone	Grant			-150			
GF CAP 76	Library Self-Service Kiosks	Spend		200				
GF CAP 76	Library Self-Service Kiosks	CIL		-200				
GF CAP 77	New Investment to South Norwood Library	Spend			520			
GF CAP 39	Parking	Spend		2,731	1,336	1,662		
GF CAP 39	Parking	Grant		-180	-166			

GF CAP 99	Park Asset Management	Spend			700	1,000	1,000	1,000
GF CAP 95	Removal of Pay & Display	Spend		366	1,097			
GF CAP 41	Play Equipment	Spend		150	300			
GF CAP 43	Safety - digital upgrade of CCTV	Spend		1,551				
GF CAP 46	Signage	Spend		274	137	0	0	0
GF CAP 47	South Norwood Good Growth	Spend		1,121	139			
GF CAP 47	South Norwood Good Growth	s106		-4	-41			
GF CAP 47	South Norwood Good Growth	Grant		-36				
GF CAP 47	South Norwood Good Growth	Grant		-1,081	-98			
GF CAP 48	Kenley Good Growth	Spend		583	265			
GF CAP 48	Kenley Good Growth	s106			-138			
GF CAP 48	Kenley Good Growth	Grant		-583	-127			
GF CAP 49	Sustainability Programme	Spend		550	550			
GF CAP 49	Sustainability Programme	CIL		-550	-550			
GF CAP 50	TFL - LIP	Spend		4,835	10,112	9,709	4,050	4,050
GF CAP 50	TFL - LIP	s106		-444	-1,007	-762	-300	-300
GF CAP 50	TFL - LIP	Grant		-2,185	-3,434	-4,415	-2,350	-2,350
GF CAP 50	TFL - LIP	Growth Zone		-900	-900	-900	-900	-900
GF CAP 50	TFL - LIP	Grant		-160				
GF CAP 50	TFL - LIP	Grant		-645	-4,272	-3,131		
GF CAP 53	Waste and Recycling Investment	Spend		1558	1,000			
GF CAP 96	Cycle Parking	Spend		226	106	118	124	133
GF CAP 96	Cycle Parking	s106		-62	-70	-75	-79	-85
GF CAP 96	Cycle Parking	Grant		-164	-36	-43	-45	-48
GF CAP 97	EVCP – Electric Vehicle Charging Point	Spend		1,081	368	392	382	396
GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant		-441				
GF CAP 97	EVCP– Electric Vehicle Charging Point	s106		-40	-350	-322	-312	-326

GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant		-126	-18	-70	-70	-70
GF CAP 97	EVCP– Electric Vehicle Charging Point	Grant		-474				
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DEVELOPMENT				19,676	15,512	13,753	14,638	10,553

GF CAP 56	Asset Strategy - Stubbs Mead	Spend		50	500	150		
GF CAP 57	Asset Strategy Programme	Spend		25	240	113		
GF CAP 17	Brick by Brick programme	Spend		4,150	-	-		
GF CAP 78	Former New Addington Leisure Centre	Spend			600	-		
GF CAP 59	Clocktower Chillers	Spend		30	382	-		
GF CAP 60	Corporate Property Maintenance Programme	Spend		2,500	2,500	2,500	2500	2500
GF CAP 18	Fairfield Halls - Council	Spend		1,500	500	500		
GF CAP 24	Fieldway Cluster (Timebridge Community Centre)	Spend			248			
GF CAP 100	Contingency	Spend			1,000	1,000	1,000	1,000
RESOURCES				8,255	5970	4,263	3,500	3,500

GF CAP 68	Capitalisation Direction	Spend		25,000		-		
GF CAP 68	Capitalisation Direction	Cap Rcp		-21,000				
GF CAP	Capitalisation Direction - New	Spend		161,600	63,000	38,000	38,000	
GF CAP	Capitalisation Direction - New	Cap Rcp		-30,000	-45,000	-50,000	-50,000	
GF CAP 69	Transformation Spend (Flexible Capital Receipts)	Spend		4,049				
GF CAP 69	Transformation Spend (Flexible Capital Receipts)	Cap Rcp		(4,049)				
CORPORATE				135,600	18,000	-12,000	-12,000	

TOTAL – NET GENERAL FUND CAPITAL Borrowing				169,153	45,823	8,170	6,138	14,053
---	--	--	--	----------------	---------------	--------------	--------------	---------------

Appendix C - New BIDS 2022-27 CAPITAL PROGRAMME

REVISED CAPITAL PROGRAMME

CAP BID No.	PROJECT NAME	2022/23	2023/24	2024/25	2025/26	2026/27
		£,000	£,000	£,000	£,000	£,000
CAP 79	Angel Lodge Children Home		329			
	CHILDREN'S, YOUNG PEOPLE & EDUCATION	-	329	-	-	-
GF CAP 80	Central Library Digital Discovery Zone		175			
GF CAP 77	New Investment to South Norwood Library		520			
GF CAP 98	Car Club		166	174	174	174
GF CAP 33	Leisure Equipment Monks Hill Gym		165			
GF CAP 95	Removal of Pay & Display	366	1,097			
GF CAP 81	Local Authority Tree Fund	96	67	67	67	
GF CAP 82	Trees Sponsorship	46				
GF CAP 84	Leisure centres equipment Contractual Agreement	430	146	337	585	0
GF CAP 83	Leisure Centre - Tennis Court	75				
GF CAP 76	Library Self-Service Kiosks	200				
GF CAP 96	Cycle Parking	226	106	118	124	133
GF CAP 97	Electric Vehicle Charging Point	1,081	368	392	382	396
GF CAP 78	Former New Addington Leisure Centre		600	-		
GF CAP 99	Park Asset Management		700	1,000	1,000	1,000
	SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC DEVELOPMENT	2,520	4,110	2,088	2,332	1,703

GF CAP 92	Bereavement Service Dumper Trucks	39	-	-	-	-
GF CAP 85	My Resources Interface Enhancement	75	185	-	-	-
GF CAP 86	Network Refresh	141	335	626	-	-
GF CAP 87	Tech Refresh	610	300	160	-	-
GF CAP 88	Geographical Information Systems	65	260	-	-	-
GF CAP 90	Laptop Refresh	222	3,349	1,264	-	-
GF CAP 91	Cloud and DR	198	221	104	-	-
GF CAP 93	NEC Housing System	2,680	1,764	-	-	-
GF CAP 89	Synergy Education System	1,030	673	-	-	-
	ASSISTANT CHIEF EXECUTIVE	5,060	7,087	2,154	-	-
GF CAP 101	New Capitalisation Direction	161,600	63,000	38,000	38,000	
GF CAP 100	Contingency		1,000	1,000	1,000	1,000
	RESOURCES	161,600	64,000	39,000	39,000	1,000

Appendix D – Movement in Capital Budget in 2022/23

General Fund Capital Programme	Approved Budget March 2022	Proposed Slippage from 2021/22	Unapproved slippage from 2021-22	Capital Budget Review Adjustment	New Budget Request 2022/23	Budgets no longer Required	Reprofile Budgets to Future Years	Revised 2022-23 Budget Subject to Cabinet Approval
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000
ADULTS	1,707	-		(269)		(1,438)		-
HOUSING	3,493	1,399	(400)	-	-	(100)		4,392
ASSISTANT CHIEF EXECUTIVE	14,028	2,659		(573)	5,060	(14,209)		6,965
CHILDREN'S, FAMILIES & EDUCATION	15,964	4,730					(12,764)	7,930
SUSTAINABLE COMMUNITIES, REGEN & ECONOMIC RECOVERY	37,861	14,341	(4,765)	(2,867)	2,520	(7,466)	(3,279)	36,345
RESOURCES	11,834	2,142		(404)		(3,814)	(1,803)	8,255
CORPORATE	2,500	-		1,549				4,049
SUB TOTAL	87,387	25,271	(5,165)	(2,564)	7,880	(27,027)	(17,283)	67,936
Capitalisation Direction	25,000				161,600			186,600
Total	112,387	25,271	(5,165)	(2,564)	169,480	(27,027)	(17,283)	254,536