

CAPITAL PROJECT BIDS 2023/24

1. SUMMARY

- 1.1 This appendix outlines the Capital projects that have been put forward by officers prior to the approval of the 2023/24 budget and updated Medium Term Financial Strategy.
- 1.2 The Council's capital programme will need to reflect the three strategic themes set out in the Council's Corporate vision of Place, Community and Prosperity.
- 1.3 The 2023/24 project bids are set out in detailed projects sheets that can be found at **APPENDIX A**. The projects have been categorised by the Finance Working Group into the following two groups and shown on the first page of Appendix A:
- Essential: These projects are deemed as essential as failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision;
 - Service Failure: These projects are deemed as urgent as failure to carry out the project is likely to mean the Council will fail to carry out its obligations to its customers.
- 1.4 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure will be financed from existing useable capital resources and not directly from revenue.
- 1.5 At the start of 2022/23 the Council had capital reserves totalling £2.0m. £0.9m is scheduled to be used to support the 2022/23 capital programme, which will leave £1.1m to support future programmes for 2023/24 and beyond.
- 1.6 The current 5-year capital programme is set out within MDC's Medium-Term Financial Strategy. In the absence of a sizeable capital receipt from a disposal of an asset, the Council will have used up its usable capital receipts within 2 years, at the rate of the Capital Programme suggested for 2023/24. That would mean that any capital programme extending beyond that would have to be funded from borrowing, although the Council is currently debt free. Currently the capital programme shows reduced spending beyond 2023/24 extending the availability of the Capital Receipts Reserve but there are risks involved in reducing capital expenditure also.
- 1.7 The Committee should note that any large capital project(s) as a result of the Commercial Strategy will be presented for consideration on a project by project business case basis under the governance arrangements for the delivery of the Commercial Strategy. The financing options of those project(s) would be included as part of the business case for the project(s).
- 1.8 It is essential that the Council's assets are maintained to ensure continued reliability and service provision either at current or improved level. To that end, repairs and renewals of Council assets are programmed into MDC's Medium-Term Financial Strategy.