



REPORT of DIRECTOR OF FINANCE

to
COUNCIL
12 FEBRUARY 2026

CAPITAL AND INVESTMENT STRATEGY FOR 2026/27, MINIMUM REVENUE PROVISION STATEMENT 2026/27, AND TREASURY MANAGEMENT STRATEGY 2026/27

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to approve an annual Capital and Investment Strategy, Minimum Revenue Provision (MRP) Statement and Treasury Management Strategy before the start of the financial year to which they relate. The report proposes £11.2m of capital investment in the coming two years. £7.9m relates to previous decisions, and £3.3m are new proposals.

2. RECOMMENDATION

That the following be approved:

- (a) the Capital and Investment Strategy 2026/27 (**APPENDIX 1**), which includes the Capital Programme for 2026/27 – 2029/30 and new Capital Projects Bids (**APPENDIX 2**);
- (b) the Minimum Revenue Provision Statement 2026/27 (**APPENDIX 3**);
- (c) the Treasury Management Strategy 2026/27 (**APPENDIX 4**, with the Treasury Management Practices).

3. SUMMARY OF KEY ISSUES

- 3.1 Capital assets are made up of property (land and buildings) or equipment which yield benefit through a number of years. The benefit may be seen in a revenue stream (tourism income or charges for use) or as a community benefit (such as for parks and open spaces).
- 3.2 The capital programme sets out how those assets will be enhanced or added to in the coming years. Repairs and maintenance costs which do not enhance or extend the life of an asset are regarded as operational (revenue) costs.
- 3.3 The current capital programme was approved by the Council in February 2025. Spending in 2025/26 has progressed according to plan, with the exception of investment in Blackwater Leisure Centre. This investment was included for 2025/26 before a detailed programme of works had been identified, with the result that some of the works planned for 2025/26 have been carried forward to 2026/27. Overall, the previously agreed capital programme for 2026/27, taking into account the decisions of February 2025 and subsequent delivery through 2025/26, stands at £7.9m

- 3.4 New schemes have also been proposed for 2026/27 to a total of £3.3m. If all these schemes are approved, the total programme will amount to £11.2m.
- 3.5 Councillors should note that previously agreed schemes may be ceased, depending on the state of any works undertaken and any implications arising from such a reversal. All new schemes may be considered for inclusion. If any schemes are rejected, the result will be to reduce the overall cost of the proposed capital programme. This is most likely to lead to an increase in reserves above forecast levels, which assume that all proposed schemes are accepted.
- 3.6 The Capital programme including all new and existing schemes is summarised below at Figure 1, showing the profile by year, the split of new and existing schemes, and the proposed funding source.

Figure 1- summary capital programme 2026-28

Capital programme delivery profile	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000
	<i>Riverside Park</i>	193	-	275	-
<i>Promenade Park</i>	899	1,958	930		2,888
<i>Other Parks and Open Spaces</i>	360	360	-	-	360
<i>Playsites</i>	305	660	740	-	1,400
All Parks and opens spaces	1,757	2,978	1,945	-	4,923
Leisure centres and Sports pitches	3,966	3,522	435	-	3,957
Housing	539	539	539	-	1,078
Car Parking	138	30	360	-	390
Community Centres	-	55	182	-	237
Sports	-	225	-	-	225
Cemeteries	-	20	105	-	125
I.T	47	47	47	47	141
Vehicle & Plant Replacement	181	65	-	-	65
Public Conveniences	-	58	-	-	58
Princes Road	270				
Total	6,898	7,539	3,613	47	11,199

Existing schemes and new proposed schemes	Existing capital prog. (Feb 2025)	New schemes proposed (Feb 2026)	Total
	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	275
<i>Promenade Park</i>	2,012	876	2,888
<i>Other Parks and Open Spaces</i>	140	220	360
<i>Playsites</i>	-	1,400	1,400
All Parks and opens spaces	2,427	2,496	4,923
Leisure centres and Sports pitches	3,635	322	3,957
Housing	1,078	-	1,078
Car Parking	360	30	390
Community Centres	182	55	237
Sports	-	225	225
Grant funded projects	-	-	-
UKSPF	-	-	-
REPF	-	-	-
Cemeteries	105	20	125
I.T	141	-	141
Vehicle & Plant Replacement	-	65	65
Public Conveniences	-	58	58
Princes Road			-
Total	7,928	3,271	11,199

Proposed funding	Reserves	Borrowing	Better Care Fund	Total
	£'000	£'000	£'000	£'000
<i>Riverside Park</i>	275	-	-	275
<i>Promenade Park</i>	2,888			2,888
<i>Other Parks and Open Spaces</i>	360	-	-	360
<i>Playsites</i>	-	1,400	-	1,400
All Parks and opens spaces	3,523	1,400	-	4,923
Leisure centres and Sports pitches	757	3,200	-	3,957
Housing	-	-	1,078	1,078
Car Parking	390	-	-	390
Community Centres	237	-	-	237
Sports	225	-	-	225
Grant funded projects	-	-	-	-
UKSPF	-	-	-	-
REPF	-	-	-	-
Cemeteries	125	-	-	125
I.T	141	-	-	141
Vehicle & Plant Replacement	65	-	-	65
Public Conveniences	58	-	-	58
Princes Road				-
Total	5,521	4,600	1,078	11,199

- 3.7 The Capital and Investment Strategy details the intended capital expenditure plans and funding arrangements of the Council and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital and Investment Strategy for 2026/27 is at **APPENDIX 1**.
- 3.8 The Capital Strategy includes the Capital Programme at **APPENDIX 2**, which is a four-year financial plan for delivering the Strategy. The Capital Programme includes all approved capital projects, rolling programmes and new capital bids.
- 3.9 A full breakdown of new capital bids is included in **APPENDIX 2**, revised following discussions at the Strategy and Resources Committee on 10 November 2025.
- 3.10 Local authorities must set aside funds annually to repay debt from capital expenditure, ensuring they do not take on more debt than they can afford. This charge is the Minimum Revenue Provision (MRP). The MRP Statement 2026/27 is at **APPENDIX 3**, which details the methodology applied by the Council in charging a minimum amount to revenue.
- 3.11 The Treasury Management Strategy for 2026/27 is at **APPENDIX 4**. This strategy ensures the Authority maintains a balanced budget by managing cash flow and low-risk investments. Effective treasury management is crucial for meeting spending commitments and protecting the General Fund Balance. Governance of Treasury Management Practices is detailed in **APPENDIX 4**.
- 3.12 These Strategies have been compiled with the advice and support of the Council's Treasury Advisor, Link Group, with the latest available data and interest rate forecasts at the time the strategies were drafted in December 2025.

4. CONCLUSION

- 4.1 The Capital and Investment Strategy, MRP Policy, and Treasury Management Strategy have been developed with the Council's strategic plans in mind, ensuring affordability and prudence.
- 4.2 These strategies have been updated to comply with statutory requirements and best practices. They consider the Council's financial position and align with broader corporate strategies, plans, and objectives, incorporating advice from the Council's external Treasury Advisor.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Investing in our District

- 5.1.1 Utilising reserves and alternative funding sources to acquire or enhance the Council's assets minimises the reliance on annual local tax revenues.

5.2 Delivering good quality services

- 5.2.1 Avoiding service failure is a key consideration when determining which assets to acquire or enhance.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – Any new investment decisions will be entered with suitable due diligence to ensure that any risks are identified and mitigated, where possible.
- (iv) **Impact on Resources (financial)** – The Council generates investment income from invested balances held in reserve. Any approved capital project bids may impact on the Council's reserves.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** - No direct implication as decisions for the 2026/27 year will not have an impact on the overall progress of either Devolution or Reorganisation. There may be indirect implications, but these are within the existing framework for transition to new arrangements.

Background Papers:

APPENDIX 1 – Capital and Investment Strategy

APPENDIX 2 – Proposed Capital Programme 2026-29 and New bids 2026/27

APPENDIX 3 – MRP Policy 2026/27

APPENDIX 4 – Treasury Management Strategy 2026/27, including Governance of Treasury Management Practices

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