

**TITLE OF REPORT:**           **Capital Programme 2024/25 to 2028/29**

**REPORT OF:**               **Darren Collins, Strategic Director, Resources & Digital**

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### **Purpose of the Report**

1. Cabinet is asked to recommend Council approve the proposed Capital Programme 2024/25 to 2028/29. This will provide significant investment within the borough to support the Council's strategic approach to make Gateshead a Place Where Everyone Thrives.

### **Background**

2. The Capital Programme has been prepared to cover the period 2024/25 to 2028/29; all financial implications have been incorporated into the Council's Medium Term Financial Strategy (MTFS) which aligns resources to support the Council's priorities.
3. Local Authorities are free to invest in capital schemes so long as their spending plans are affordable, proportionate, prudent, and sustainable.
4. This report should be considered alongside the Housing Revenue Account (HRA) and Housing Capital Programme, which as part of self-financing, must be supported from the resources available within the HRA. Where schemes are brought forward and require additional HRA borrowing, these will be considered against the agreed HRA prudential indicators and business model.

### **Proposal**

5. The Capital Programme for 2024/25 totals £113.9m, comprising £87.1m General Fund and £26.8m HRA investments. Over the next five years to 2028/29, the level of Capital investment is estimated to be £506.4m, of which £303.8m relates to the General Fund and £202.6m relates to the HRA.
6. Capital investment has a positive impact on the local economy, creating jobs, housing and can also reduce carbon emissions. This five-year Capital Programme is estimated to create an additional 1200 jobs, 500 new homes, reduce carbon emissions and generate revenue savings.
7. The programme includes projects that will enable improvements to service delivery and projects that are of a strategic nature to assist with the delivery of the Council's priorities and help to make Gateshead a Place Where Everyone Thrives namely:
  - Projects that support climate change.
  - Projects that promote health and wellbeing.
  - Projects that promote or stimulate housing development.

- Projects that focus on improving the highways infrastructure within the borough, improving public transport, and reducing congestion.
  - Projects that support the economy by promoting and supporting business growth within the borough.
  - Projects that ensure children and young people are safe and have the opportunities to thrive.
8. The strategic projects that have been added to the capital programme and require large allocations of capital investment will be monitored closely and will remain flexible. Through the development of the Quays, it is anticipated that this will generate a greater commercial interest in the development of these larger schemes thereby potentially reducing the requirement for Council investment.
9. The Council's Capital Strategy sets out the long-term context in which capital expenditure, borrowing and investment decisions are made giving due consideration to risks, rewards and impact on the achievement of priority outcomes.
10. There may be opportunities to include additional schemes to the Capital Programme throughout the year should a project demonstrate that the investment will satisfy the prudential framework or when additional external resources have been sourced e.g., developer contributions, grants or capital receipts.
11. The proposed Capital Programme is presented in Appendix 2, the provisional capital financing is presented in Appendix 3.

## **Recommendations**

12. It is recommended that:
- (i) Cabinet recommends Council to approve the Capital Programme for 2024/25.
  - (ii) Cabinet recommends Council to approve the provisional programmes for 2025/26 to 2028/29.
  - (iii) Cabinet notes the provisional capital financing required for the programme as set out in Appendix 3 and delegates authority to the Strategic Director, Resources & Digital to enter into prudential borrowing which is consistent with the requirements of the Capital Programme and Council's Treasury Management Strategy.

For the following reasons:

- (i) To continue to provide investment within the borough to delivery Council priorities.
- (ii) To assist with the medium- and long-term financial sustainability of the Council.

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**CONTACT: Clare Tait                      extension: 3617**

## APPENDIX 1

### Policy Context

1. All Council capital expenditure is consistent with the Council's strategic priority 'Making Gateshead a Place Where Everyone Thrives'. This means that the Council's decision making, including the setting of the Capital Programme, will be policy and priority led and driven. The financial implications of the capital programme are incorporated within the Council's Medium-Term Financial Strategy (MTFS).

### Background

2. Details of potential future capital schemes for the 2024/25 to 2028/29 Capital Programme were considered alongside the schemes within the existing programme. The capital and revenue implications of each proposed scheme were considered to ensure that they were affordable and could be accommodated within the level of revenue support available within the MTFS and HRA.
3. The basic principle of the prudential system is that local authorities are free to borrow so long as their capital spending plans are affordable, proportional, prudent, and sustainable. Councils are prohibited to borrow to fund commercial investment. There is, therefore, an explicit link with the Council's revenue spending plans which have been considered as part of the MTFS process and setting the 2024/25 revenue budget.

### Proposed Capital Programme 2024/25 to 2028/29

4. The basis for considering the programme 2024/25 to 2028/29 prioritised those schemes which:
  - Were consistent with the Council's strategic approach of Making Gateshead a Place Where Everyone Thrives.
  - Supported the Council's main strategies, namely.
    - Corporate Plan
    - Asset Strategy
    - Health and Wellbeing Strategy
    - Economy Strategy
    - Climate Strategy
    - Transport Strategy
    - Digital Strategy.
5. The proposed capital programme is shown in Appendix 2 and the proposed financing of programme is detailed in Appendix 3.
6. The Council continues to maximise the use of external funding where possible, including the utilisation of the following grants:
  - £20.4m Department for Transport Grant to improve transport infrastructure in accordance with the principals set out in the Council's Highways Asset Management Plan;

- £23.1m Department for Education Grant to address the condition and capacity issues of Schools.
  - £2.9m Public Sector Decarbonisation funding to address climate change within the Borough.
7. The Council has the ability to fund schemes through prudential borrowing. This allows the Council more flexibility to fund capital projects, however in practice this is limited by pressures on revenue budgets and the need to generate budget savings. An allowance has been made in the revenue budget for the costs associated with the level of prudential borrowing required to support the capital programme set out in Appendix 3.
  8. The Council has a five-year rolling programme of disposals which is used to identify the level of receipts available. For 2024/25 capital receipts totalling £0.75m have been included within the capital financing projections, however this will be monitored in year and may be subject to change.
  9. Additional schemes may be added to the capital programme following the completion of a detailed business case provided that the projects generate sufficient revenue savings to satisfy the prudential framework, or utilise available external funding, and do not add additional pressure on the revenue budget.
  10. Housing Development is one of the key Council Priorities. Work is ongoing to revise the Housing Development Strategy and to create a Housing Development Fund. The future capital programme may be revised to amalgamate the currently identified housing projects such as Dunston Hill Strategic Infrastructure Works into a Housing Development Fund. This fund will provide flexibility for use on any housing project as it progresses and demonstrates affordability.
  11. In December 2022, the summary of the North East devolution deal between the Government and the seven North East local authorities was published. The deal included the following capital funding allocations to the new North East Mayoral Combined Authority (NE MCA):
    - an investment fund of £14m per year for 30 years,
    - up to £563m for city region sustainable transport,
    - £20m for place based economic generation,
    - £17.4m to support housing on brownfield land and
    - £73.8m for Bus service improvements.

The future capital programme will be revised, particularly in relation to above areas, once the operations of the NE MCA become clear.

### **Consultation**

12. The development of detailed project proposals arising from this report will involve consultations with all stakeholders.

### **Alternative Options**

13. No alternative options were considered.

## Implications of Recommended Option

### 14. Resources:

- a) **Financial Implications** – The Strategic Director, Resources & Digital confirms that the financial implications are set out in the report and appendices. The proposed capital programme can be accommodated from within the provision currently included within the Council's MTFS and Revenue budget.
- b) **Human Resources Implications** – Capital projects require project management resources to ensure that the planned investment is successfully delivered. In accordance with accounting regulations, where it can be demonstrated that a project management resource is integral to the delivery of major capital investment this cost can be capitalised and funded as part of the specific project. The human resources implications of individual schemes are considered prior to implementing a project.
- c) **Property Implications** - Capital investment optimises the use of property assets to support the delivery of the Council's priority outcomes. The property implications of individual schemes will be considered and reported separately.

15. **Risk Management Implication** - There is a risk that resources identified to fund the proposed programme are not realised. The impact of this will be managed through the monitoring process and reported to Cabinet on a quarterly basis.

16. **Equality and Diversity Implications** - The framework for the Equalities Impact Assessment of the Council's spending plans is based on legislative and policy priorities of the Council which include:

- The Equality Act 2010; and
- The Local Government Improvement and Development Equalities Framework.

The Equality and Diversity implications will be considered for each individual scheme within the capital programme

17. **Crime and Disorder Implications** – There are no direct crime and disorder implications arising directly from this report.

18. **Health Implications** – There are no direct health implications arising from this report.

19. **Climate Emergency and Sustainability Implications** - Capital investment can help to reduce carbon emissions and improve sustainability by using more energy efficient materials and practices in the refurbishment or construction of assets. Projects will follow strict Council Sustainable Construction guidelines and where applicable the impact of a project on the climate emergency will be reported separately.

- 20. Human Rights Implications** - There may be interference or disturbance to tenants and residents while works are carried out. However, such interference or disturbance will be kept to a minimum and the works will result in benefits to tenants and residents.
- 21. Ward Implications** - The proposals will have implications for all areas and wards in Gateshead.

### **Background Information**

- 22.** The following background papers have been used in the preparation of this report:
- (i) Report for Cabinet, 20 February 2024 – Housing Revenue Account (HRA) and Housing Capital Programme
  - (ii) Report for Cabinet, 23 January 2024 – Capital Programme 2023/24 – Third Quarter Review.
  - (iii) Report for Cabinet, 21 November 2023 – Capital Strategy 2024/25 to 2028/29
  - (iv) Report for Cabinet, 24 October 2023 – Medium Term Financial Strategy 2024/25 to 2028/29
  - (v) Report for Cabinet, 21 February 2023 – Capital Programme 2023/24 to 2027/28

## Appendix 2

Project Title	Brief Project Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total Budget £000	Council Funded £000	Externally Funded £000
<b>Climate Change</b>									
Flood Alleviation Investment	Strategic investment to create sustainable surface water management schemes to reduce the risk of flooding in Gateshead using Environment Agency funding.	5,037	0	0	0	0	<b>5,037</b>	68	4,969
Installation of Electric Vehicle Charging Points in Council Depots	Installation of electric vehicle charging points at key operational depots across the borough to enable the electrification of the Council fleet by 2030.	0	1,058	0	0	0	<b>1,058</b>	1,058	0
Salix Energy Efficiency Works	Investment in energy efficiency improvements in Council buildings, delivering revenue savings.	150	0	0	0	0	<b>150</b>	150	0
Gateshead District Energy Scheme - Old Fold/Nest House extension	Connect 550 homes, 2 primary schools and a private care home to the District Energy Network to provide zero carbon heating	4,556	5,212	0	0	0	<b>9,768</b>	6,912	2,856
<b>Corporate Assets</b>									
Follingsby Salt Store	To provide a covered facility for the storage of the Council's main stock of salt on the existing site at Follingsby.	0	0	0	878	0	<b>878</b>	878	0

<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
Health & Safety	Programme of works to address health and safety related issues in the Council's property assets.	919	830	540	550	550	<b>3,389</b>	3,389	0
Refurbishment of Metrology Lab	Refurbishment and modernisation of the Metrology Lab	500	0	0	0	0	<b>500</b>	500	0
Upgrade of Occupational Health rooms and equipment	Purchase of new equipment used to carry out health surveillance, including a new Keystone vision screener, two audiometers and two spirometers and sinks fitted in all occupational therapy rooms.	50	0	0	0	0	<b>50</b>	50	0
School Basic Need Funding	Externally funded investment programme to address demand within the Council's Schools.	8,078	4,767	0	0	0	<b>12,845</b>	0	12,845
School Condition Fund	Externally funded investment programme to address condition issues within the Council's Schools.	1,800	1,800	1,800	1,800	1,800	<b>9,000</b>	0	9,000
Schools Devolved Formula Funding	External funding awarded directly to Schools to purchase equipment or contribute to larger capital schemes.	250	250	250	250	250	<b>1,250</b>	0	1,250
Strategic Maintenance	Programme of preventative maintenance works to address condition issues within the Council's operational buildings.	1,450	1,460	1,480	1,490	1,490	<b>7,370</b>	7,370	0
Prince Consort Road	Redevelopment of Prince Consort Road site	1,600	0	0	0	0	<b>1,600</b>	1,600	0



Project Title	Brief Project Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total Budget £000	Council Funded £000	Externally Funded £000
<b>Economic Prosperity</b>									
Baltic Quarter Remediation	Determination of infrastructure and remediation works to attract private sector investment.	0	0	1,500	1,500	0	<b>3,000</b>	3,000	0
Riverside Park	Creation of new flexible buildings and trail for Riverside Park	1,147	0	0	0	0	<b>1,147</b>	1,147	0
Greensfield Business Centre	Refurbish the Greensfield Business Centre, to modernise it and make it fit for purpose.	100	0	0	0	0	<b>100</b>	100	0
Unveiling the Angel	Working in partnership with National Highways improve the landscaping surrounding the Angel.	585	550	0	0	0	<b>1,135</b>	570	565
Gateshead Quays	Investment within the Council's Accelerated Development Zone to provide infrastructure to facilitate the Gateshead Quays development, helping to generate significant economic growth.	20,000	53,782	23,935	0	0	<b>97,717</b>	94,717	3,000
Gateshead Quays Multi Storey Car Park	Provision of a vehicle management system and ticketing machines for the operation of the Multi Storey Car Park.	0	364	0	0	0	<b>364</b>	364	0
Major Projects - Project Management	Co-ordination of the delivery of major strategic capital projects.	290	290	290	290	290	<b>1,450</b>	1,450	0

<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
UK Shared Prosperity Fund	Various projects funded by UK Shared Prosperity Fund to including projects related to culture, economic development, and health & wellbeing	1,888	0	0	0	0	<b>1,888</b>	0	1,888
Baltic Quarter Extension	Expand the Quays and Baltic projects to incorporate Church St site and the Baltic Quarter site. Land assembly of sites to further development opportunities.	1,588	250	0	0	0	<b>1,838</b>	1,838	0
MetroCentre Transport Link	Transport link required as part of the Planning permission for investment at the MetroCentre	495	605	0	0	0	<b>1,100</b>	0	1,100
<b>Health and Wellbeing</b>									
Community Hubs	To support residents experiencing financial difficulties and to provide access to food, support with housing, employment, and benefits issues.	39	0	0	0	0	<b>39</b>	39	0
Disabled Facilities Grants (DFGs)	Grants to private individuals to facilitate adaptations to their homes to ensure people can continue to live independently, typically helping over 350 residents per annum.	2,378	2,378	2,378	2,378	2,378	<b>11,890</b>	835	11,055

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Extensions and adaptations to the homes of foster carers	Funding to enable foster carers or special guardians to enlarge their homes to accommodate looked after children and provide additional capacity to secure permanence for sibling groups.	160	150	150	150	150	<b>760</b>	760	0
Extra Care Scheme	To support the development of extra care sites	690	775	775	750	750	<b>3,740</b>	3,740	0
Fixed Play Facility Renewals	Programme of renewal and replacement of fixed play equipment throughout the Borough.	580	360	360	360	360	<b>2,020</b>	2,020	0
Replacement Bins	Annual procurement of refuse and recycling bins for new developments & existing homes	140	150	160	170	180	<b>800</b>	800	0
Sister Winifred Laver Promoting Independence Centre	Completion of the 60-bed purpose built care facility to consolidate the provision of intermediate care to enable recovery, rehabilitation and reablement.	413	0	0	0	0	<b>413</b>	413	0
Social Care System	Development of a social care system for Early Help, Children's and Adults to integrate with the finance system.	340	0	0	0	0	<b>340</b>	340	0

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Specialist IT Equipment for children and young people (Portage)	Providing specialist equipment ensuring children and young people with special educational needs can access learning, communicate effectively.	30	30	30	30	30	<b>150</b>	150	0
Specialist IT equipment for Children and Young People with low incidence needs	To provide specialist equipment to ensure children and young people with special educational needs can access learning and communicate effectively	30	30	30	30	30	<b>150</b>	150	0
Specialist Therapeutic Children's Home	Development of a residential children's home designed to meet therapeutic needs.	0	550	0	0	0	<b>550</b>	550	0
Step up Provision for children and young people with Complex Needs	To create a unit of accommodation to provide support and work with complex children and young people	0	0	700	0	0	<b>700</b>	700	0
Children's Three Bed Residential Assessment Service	Provision of a residential children's home.	0	750	0	0	0	<b>750</b>	750	0
Technology Enabled Care	Develop Technology Enabled care as a preventative service	100	100	100	100	100	<b>500</b>	500	0
Telecare	Provision of telecare equipment to residents over 75, helping to preserve their independence.	75	75	75	75	75	<b>375</b>	375	0

<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
Saltwell Cemetery Extension	Development of up to 4.15 acres of land giving approximately 2,075 additional graves.	251	1,711	338	0	0	<b>2,300</b>	2,300	0
<b>Housing</b>									
Housing Development	Development of housing in the Dunston & Teams ward.	2,625	2,000	0	0	0	<b>4,625</b>	1,000	3,625
Development Site Preparation Works	Works to facilitate future housing developments within Gateshead	850	850	800	800	800	<b>4,100</b>	4,100	0
Dunston Hill Infrastructure Works	Infrastructure works at Dunston Hill to facilitate housing development.	0	0	0	2,921	0	<b>2,921</b>	2,921	0
High Street South	Assembly of a housing development area through the purchase and demolition of private properties.	500	1,059	3,127	3,656	14,860	<b>23,202</b>	12,792	10,410
Metrogreen	Development of delivery strategy and action plan for Metrogreen to help progress future development.	70	0	0	0	0	<b>70</b>	70	0
West Askew Road	Introduction of a signalised all movements junction to facilitate residential development on Council owned land to the north side of Askew Road.	3,000	0	0	0	0	<b>3,000</b>	3,000	0

Project Title	Brief Project Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total Budget £000	Council Funded £000	Externally Funded £000
<b>Transport</b>									
Bensham Road Corridor	To facilitate the delivery of stage 2 of the Benham Road Corridor study and enable recommendations from the study to be implemented.	322	595	0	0	0	<b>917</b>	917	0
Flagged Footways	Structural work to footways throughout the borough.	350	0	0	0	0	<b>350</b>	350	0
Local Transport Plan - Integrated Transport	Externally funded investment in improving sustainable transport infrastructure, traffic management and road safety.	1,892	1,233	1,233	1,233	1,233	<b>6,824</b>	0	6,824
Traffic Sign Replacement	Programme of traffic sign replacement and improvements throughout the borough.	150	150	150	149	100	<b>699</b>	699	0
Local Transport Plan - Planned Maintenance	Externally funded investment in undertaking planned maintenance to improve highways infrastructure.	4,194	3,288	3,288	3,288	3,288	<b>17,346</b>	3,750	13,596
Quays fixed and Vehicle Management System signage	New signage linked to the development of the Quays	600	0	0	0	0	<b>600</b>	600	0
Quays traffic signal upgrades	A post event signals plan to manage large volumes of traffic moving around and leaving the area during a short space of time.	451	0	0	0	0	<b>451</b>	451	0

<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
Replacement of Fleet and Horticultural Equipment	Rolling improvement programme to replace the Council's fleet, primarily high value Refuse Collection Vehicles.	1,625	1,625	1,625	1,625	1,625	<b>8,125</b>	8,125	0
Street Lighting Column Replacement	Rolling investment programme to replace street lighting columns throughout the Borough.	1,698	1,698	1,698	1,698	1,698	<b>8,490</b>	7,865	625
Traffic signal replacement	Programme of investment in replacing traffic signals throughout the borough.	322	322	322	322	322	<b>1,610</b>	1,610	0
Transforming Cities (Tranche 2)	External funding to support the delivery of major, strategic transport improvement schemes, improving public transport and encouraging sustainable travel.	7,298	0	0	0	0	<b>7,298</b>	1,482	5,816
Unclassified Road Resurfacing	Unclassified road micro asphalt resurfacing throughout the borough.	500	300	0	0	0	<b>800</b>	800	0
<b>Digital Systems</b>									
Broadband Delivery	Ongoing investment relating to the provision of broadband infrastructure to rural areas of the Borough as part of the Broadband Delivery UK Project.	95	86	0	0	0	<b>181</b>	181	0

<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
Customer Experience	To develop the system capabilities to enable e-billing for Council Tax. Continue the development of the GOSS platform to enable customers to interact with the Council through digital means and deliver more services directly.	110	112	115	0	0	<b>337</b>	337	0
Digital Gateshead	To develop the system capabilities to enable e-billing for Council Tax. Continue the development of the GOSS platform to enable customers to interact with the Council through digital means and deliver more services directly.	725	682	668	700	700	<b>3,475</b>	3,475	0
IT Strategic Plan	Investment in capital improvements and service transformation as part of the implementation of the IT strategic plan.	300	300	300	300	300	<b>1,500</b>	1,500	0
Technology Plan Infrastructure	Ongoing investment in IT infrastructure to ensure the effective delivery of Council services and the provision of a reliable, robust and secure network.	3,239	3,329	3,142	4,675	3,000	<b>17,385</b>	17,385	0



<b>Project Title</b>	<b>Brief Project Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>	<b>Total Budget £000</b>	<b>Council Funded £000</b>	<b>Externally Funded £000</b>
Technology Plan Transformation Through Technology & New Ways of Working	Additional investment in mobile devices and technology improvements to ensure effective service delivery.	335	234	198	254	254	<b>1,275</b>	1,275	0
Business Improvement Systems	To develop delivery systems, research, intelligence and procurement systems to assist business improvement, transformation and savings across the Council	100	0	0	0	0	<b>100</b>	100	0
		<b>87,060</b>	<b>96,140</b>	<b>51,557</b>	<b>32,422</b>	<b>36,613</b>	<b>303,792</b>	<b>214,368</b>	<b>89,424</b>

HRA Capital	Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total Budget £000
<b>Improvement Works</b>							
Aids & Adaptations	To carry out identified adaptations to Council Dwellings to enable people to live safely and independently within their home.	1,650	1,650	1,650	1,700	1,750	<b>8,400</b>
Communal Mechanical & Electrical works	Essential works to upgrade communal services in accordance with stock condition, building safety & compliance needs.	559	545	819	570	352	<b>2,845</b>
Digital Transformation	Transformational upgrade work to block building management services such as CCTV and door entry services	1,138	2,550	220	53	98	<b>4,059</b>
Environmental & Estate Improvement	Improvements to the public realm in and round estates	103	100	758	955	740	<b>2,656</b>
Garage Improvement Programme	Essential works to improve sustainable garage blocks, demolish unviable stock and investigation conversion & change of use where practicable	200	220	340	309	191	<b>1,260</b>
Block communal improvements	Improvements to the communal areas and spaces in blocks	660	673	1,188	714	1,522	<b>4,757</b>
<b>Building Safety</b>							
Building safety improvements	Essential work to meet building safety and compliance obligations	1,084	1,027	458	419	322	<b>3,310</b>
Safety & Security	Work to install and renew smoke and CO detection.	64	65	89	91	108	<b>417</b>
HRA Commercial Property Improvements	Targeted interventions in the HRA commercial portfolio to meet landlord obligations	50	50	50	10	32	<b>192</b>
<b>Major Future Works</b>							
Energy & Carbon Net Zero	Delivery of work packages to improve insulation, install green technology and energy solutions that will support achieving Net Zero.	2,000	2,000	4,088	4,211	4,460	<b>16,759</b>

	Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total Budget £000
Major Investment Scheme	Targeted Transformation investment work	1,430	0	0	2,228	2,267	<b>5,925</b>
Domestic Heating Improvements	Replacement of failed and obsolete heating systems, upgrading them with more efficient solutions to help address fuel poverty issues.	2,395	2,450	2,832	2,565	2,799	<b>13,041</b>
Door & Window replacements	Continuation of the window replacement door replacement programme. Focused on medium rise blocks, but also picking up 'one off' whole house replacements	961	762	335	343	351	<b>2,752</b>
Decent Homes	Continuation of planned estate-based improvement work to the Council's housing stock in accordance with decent homes and building safety principles, prioritised using stock condition data.	5,736	5,854	6,415	7,935	10,481	<b>36,421</b>
Contractual Obligations	Preliminary costs associated with schemes	2,134	2,177	2,220	2,265	2,310	<b>11,106</b>
Fixed Budget Fees	Continuation of the rolling programme of condition surveys to enable effective asset management, options appraisals and the development of future investment schemes.	587	599	611	623	635	<b>3,055</b>
<b>Expectational Works</b>							
Regeneration and Demolition	Delivery of option appraisal outcomes - acquisition / conversion / demolition of unsustainable HRA assets.	3,583	6,329	12,500	640	0	<b>23,052</b>
<b>Housing Developments</b>							
New Build/Acquisition	Investment to create new Council homes.	2,340	10,080	19,980	18,981	11,031	<b>62,412</b>
<b>Other Capital</b>							
ICT Refresh	Replacement of IT Hardware & Software licences	163	55	0	0	0	<b>218</b>
<b>Total Housing Capital Budget</b>		<b>26,837</b>	<b>37,186</b>	<b>54,553</b>	<b>44,612</b>	<b>39,449</b>	<b>202,637</b>

### Appendix 3

<b>PROJECTED CAPITAL FUNDING</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
<b>Council Resources</b>					
Prudential Borrowing	46,571	80,586	42,650	23,515	17,296
Capital Receipts	750	750	750	750	750
<b>Capital Grant Funding</b>					
Department for Transport Local Transport Plan	5,461	3,896	3,896	3,896	3,896
Department for Education School Capital Grant Funding	10,128	6,817	2,050	2,050	2,050
Environment Agency Funding	4,969		0	0	0
Public Sector Decarbonisation Scheme	2,856	0	0	0	0
Better Care Fund	2,211	2,211	2,211	2,211	2,211
Department for Levelling Up, Housing and Communities	1,388	0	0	0	0
Highways England	290	275	0	0	0
Transforming Cities Tranche 2	5,816	0	0	0	0
North East Mayoral Combined Authority	6,620	1,605			
<b>Anticipated External Funding</b>					
External Funds	0	0	0	0	10,410
<b>TOTAL GENERAL FUND CAPITAL FUNDING</b>	<b>87,060</b>	<b>96,140</b>	<b>51,557</b>	<b>32,422</b>	<b>36,613</b>
<b>Housing Revenue Account Resources</b>					
Major Repairs Reserve Contribution (HRA)	19,114	18,859	18,690	18,536	18,394
Revenue Contribution to Capital (RCCO)	0	4,811	9,202	3,492	4,080
Grant Funding	759	385	3,885	3,691	2,145
HRA Capital Receipts	6,964	13,131	10,760	5,346	4,357
Borrowing	0	0	12,016	13,547	10,473
<b>TOTAL HRA CAPITAL FUNDING</b>	<b>26,837</b>	<b>37,186</b>	<b>54,553</b>	<b>44,612</b>	<b>39,449</b>
<b>TOTAL CAPITAL FUNDING</b>	<b>113,897</b>	<b>133,326</b>	<b>106,110</b>	<b>77,034</b>	<b>76,062</b>

