

# Capital Strategy

2018 – 2030

# HEREFORDSHIRE CAPITAL STRATEGY 2018-2030

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## 1. EXECUTIVE SUMMARY

- 1.1 An effective Capital Strategy is vital to ensure that the capital and revenue expenditure on the asset portfolio is directed efficiently and effectively to support service delivery in line with Herefordshire's priorities. This strategy considers the capital investment needs across Herefordshire including acquisition, replacement and rental of land, buildings, and vehicles etc.
- 1.2 Herefordshire Council has seen a number of schemes like the City Link Road and development of the Herefordshire Enterprise Zone enable long term plans for future development. This Capital Strategy will link to the Corporate Plan 2016-20 and its four themes, to capital planning and utilisation of resources.
- 1.3 The Capital Strategy will be reviewed annually, identifying and matching resources to deliver service priorities over a three year period. Where possible a longer term view will be incorporated to ensure we have the vision on all future development opportunities. Also to enable long term planning on capital financing through the Treasury Management Strategy to ensure the best utilisation of resources and returns on investment.
- 1.4 Herefordshire Council has set up a Development Regeneration Programme in 2018 with two key partners Keepmoat and Engie that will be looking at a number of key developments over the next eight years to ensure they meet the needs of the population and meet the council's priorities. Another key partner moving forward is NMiTE (New Model in Technology and Engineering), the new Herefordshire University and the council is keen to support their development in the coming years.
- 1.5 The challenges given to retaining property assets will be based on value for money and delivery of the councils strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of in accordance with the corporate property strategy, and proceeds will be reinvested or retained within the capital receipts reserve until a decision on how to utilise the reserve is made.
- 1.6 The Corporate Property Strategy sets out a framework for determining the capital property assets needed to enable future service delivery priorities to be realised. Whereas a series of key projects have already been delivered, the capital investment budget will further inform priorities and options for investment/re-investment in assets over the medium term.
- 1.7 The Capital Strategy encourages all areas of the council to put forward requests for capital funding to ensure assets are adequately invested and development opportunities are considered. However there are limited resources and these schemes may need to be profiled over a number of years where they are to be funded corporately. Invest to save schemes are encouraged to help the future pressures we are facing on revenue budgets with reduction in government funding over a number of years which is due to end by 2020/21.
- 1.8 The priority will be to ensure that any new capital scheme will seek external funding sources such as grants in the first instance. Although borrowing will be allowed within the current agreed limits of £6.7m per annum plus any previously approved Public Works Loan Board (PWLb) provision that has not been used. The £6.7m per annum limit is corporately funded borrowing, borrowing funded from revenue savings will be made available over and above this limit. The council will always seek external capital funding grants or donations where possible to lower the cost of borrowing but it is essential that resources are used effectively.
- 1.9 The process of allocating finite resources runs alongside delivery of the Medium Term Financial Strategy, through which capital funding, borrowing costs and innovative ways of utilising capital will be captured. The recommendation, scoring and ranking of projects lies with the Executive using a range of criteria to evaluate schemes, with referral to Council for approval. However the

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Council may add new schemes to the capital programme and in future new schemes can be added once approved at any full council meeting.

- 1.10 The Capital Strategy aims to encourage innovation and remind officers of their ability to draw down funding to fund creative projects that demonstrate delivery of “spend to save / mitigate”. The governance arrangements in place must ensure robust monitoring to ensure projects deliver in terms of quality, cost and benefits. Following central government austerity measures the council is keen to promote capital investment to secure future local funding streams, council tax and business rates.

## 2. INTRODUCTION AND BACKGROUND

2.1 This Capital Strategy sets out Herefordshire's approach to capital investment and disposal over both the short and long term, to deliver the core service priorities. The availability of resources to facilitate these priorities is also considered, reconciling the provision of statutory functions, service aspiration and policy context with limited resource availability.

2.2 The strategy incorporates the vision of the council, the overarching policy framework and explains the processes inherent in setting budgets and monitoring the programme. In the ever changing public sector climate, this document will be reviewed annually, but in essence is written to capture the longer term vision of service priorities.

2.3 The Capital Strategy links into the main council strategic documents: Corporate Property Strategy, Local Transport Plan, Digital Strategy and Local Development Framework, details are provided in appendix C. It demonstrates how the council prioritises, sets targets and measures the performance of its limited capital resources to ensure that it maximises the value of investment to support the achievement of its key cross-cutting activities and initiatives.

- **What it intends to do**

- Assist in ensuring spending decisions meet key priorities
- Influence and encourage working with partners
- Encourage improvement and innovation
- Ensure revenue consequences and whole life costs are fully considered including return on investment
- Explains the fluctuating nature of capital funding
- Confirms surplus assets will be recycled or disposed of
- Implementation of three year planning and horizon scanning for longer term priorities.

- **What it sets out**

- Capital priorities and plans
- Links to key strategic documents
- How schemes are identified that meet priorities
- How schemes competing for limited resources are selected
- A summary of the capital programme
- Monitoring processes in place

2.4 The strategic objectives for our corporate assets are to:

- Optimise the contribution property makes to the council's strategic and service objectives. To this end, assets should only be held that meet the objectives of the council, with clear evidence to demonstrate that they contribute to the key objectives.

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- Prioritise investment in our operational assets to meet service delivery needs and to enhance the customer experience. Assets that no longer deliver service priorities will be reviewed and either recycled to facilitate wider community agendas, or disposed of.
- Seek innovative, value for money solutions, through use of procurement and return on investment to deliver capital projects that satisfy service need.
- Ensure maximum return from our investment property and land holdings
- Use our assets to fund new developments, re-development and urban regeneration
- Ensure that existing and new property assets are managed in an efficient, sustainable and cost effective way in terms of their use of environmental impact and other resources, their property management and other running costs

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## 3. CURRENT CAPITAL PROGRAMME & LONG TERM PLAN

3.1 The following table details the capital investment by directorate over the next four years, full programme details can be seen in appendix a. The consequences of investment are reflected in both the Medium Term Financial Strategy and Treasury Management Strategy.

### Approved Capital Programme

	Prior Years £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Total Capital Programme Budgets £000s
<b>Total Adults &amp; Communities</b>	33	2,868	3,176	1,853	1,853	9,783
<b>Total Children's &amp; Families</b>	7,743	3,375	14,887	13,200	1,200	40,405
<b>Total Corporate</b>	17,258	6,057	11,420	2,463	0	37,198
<b>Total Economy &amp; Place</b>	65,457	56,104	88,945	27,157	362	238,025
<b>Total Capital Programme</b>	<b>90,491</b>	<b>68,404</b>	<b>118,428</b>	<b>44,673</b>	<b>3,415</b>	<b>325,411</b>

### Financed by

<b>Capital Receipts</b>	<b>24,755</b>
<b>Grants &amp; Funding Contributions</b>	<b>121,382</b>
<b>Prudential Borrowing</b>	<b>88,783</b>
<b>Funded in prior years</b>	<b>90,491</b>
<b>Total Funding</b>	<b>325,411</b>

## 3.2 Long Term Capital Programme

### Development Partnership

The council has put in place a development partnership with Keepmoat Homes Ltd and Engie Regeneration Ltd. The partnership will put in place a development and regeneration programme which will deliver housing and regeneration schemes. There is a current capital budget provision to enable the partners to work together to start delivering the programme of work. In appendix b there are details of the current business cases for both Keepmoat and Engie which lists a number of projects that will be considered in the long term. If the housing developments can be delivered and further developments included then the future programme may be funded from future capital receipts. However each project will be subject to the new project approval process that will ensure that all projects will be well defined before being approved onto the programme. There may be the possibility of funding some through the use of external investment from a third party. Although there is always the availability to fund an individual project through borrowing where the project can repay the full costs through a net revenue annual income when the project has been delivered. A decision paper will be sent to cabinet in this instance after a thorough due diligence has been carried out for the decision to be made. Therefore at this time it is difficult to include these projects into future long term budgets but there is a plan of work that will be considered and of course at any time new projects can be added by either partner or the council. Delivery of housing will be aligned to the Local Plan.

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## One Herefordshire

One Herefordshire consists of a number of health organisations and the council represented at a group meeting, they regularly meet to discuss opportunities of where the organisations can work together for the benefit of the County when delivering services.

Herefordshire Council are committed to working with partner organisations such as Health and Higher Education establishments such as Hereford College of Arts and the creation of NMITE. Where possible the council will support economic development opportunities to enable the services to grow and deliver the best service.

### Infrastructure- future plans.

Herefordshire Council are investing in a number of road schemes and over the next few years these schemes will be progressed and included into the capital programme once fully developed and approved. The Hereford Transport Package, is identified as a priority within the council's Economic Vision, Local Plan Core Strategy (LPCS) and Local Transport Plan (LTP) and also within the Marches Strategic Economic Plan and Midlands Connect regional transport strategy. The delivery of the bypass will support the growth of the economy and the package of active travel improvements will help residents to live safe, healthy and independent lives.

## 4. CAPITAL FUNDING STREAMS

- 4.1 This section explains the source of resources available to fund the capital programme. Currently the majority of funding is allocated from central government, in part to fund specific schemes that deliver their national priorities.
- 4.2 The following funding sources are available;

### Borrowing

- Prudential borrowing (PB), has been allowed since 2004 when government relaxed the rules to allow councils to finance their own capital, providing they could demonstrate affordability to repay the debt and interest. In a time of reduced resources PB may also be used to fund initiatives to deliver future revenue savings that can then fund the annual debt and interest cost. The Council has a number of invest to save schemes currently and there is no limit to the amount of additions to the capital programme in any year where all borrowing costs can be funded from revenue savings, as long as they can show they provide value for money, score highly enough in the review and are approved by Council.

### Grants

- Government currently provide many direct grants to fund initiatives that the Council should deliver as part as their statutory duty. The major capital grants are:
  - **Transport Grants** – used to support the Hereford Integrated Transport Strategy capital programme, covering rural transport schemes, and road safety initiatives and highways maintenance. The Department for Transport has a process to allow local authorities to bid for revenue and capital funds to fund sustainable transport schemes.
  - **Basic Needs Funding** - the Government each year provide a grant based on future needs for the Council to provide enough school places.
  - **Schools Capital Maintenance Grant** – is an amount allocated each year to help maintain schools in a good state of repair.



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- **Devolved Formula Capital** – is an amount allocated each year to primary and secondary schools to be spent on priorities in respect of buildings, ICT and other capital needs. It may be combined with capital funding from other sources or saved to fund a larger project.
- **Disabled Facilities Grant** - contributes towards the cost of providing adaptations and facilities to enable disabled people to continue living in their own homes. The central government grant funding towards this has been protected from cuts by the coalition government in the Corporate Spending Review (CSR), in fact this grant has increased annually.
- **Broadband** – the Council continues to roll out 'Fastershire' to its most rural areas, utilising available grant funding.
- External funding bodies distribute funding for projects that satisfy their key criteria and objectives and the Council secure these via a bidding process.

### Regional Growth Fund (RGF)

- Local Enterprise partnerships (LEPs) will coordinate bids for RGF, they were introduced by the coalition government to replace regional development agencies. Their aim is to provide strategic leadership and long term vision for private sector led economic renewal working in partnership to deliver public service delivery, through the LEP area. The LEP are currently providing a number of grants for SWTP, Cyber Centre through Wolverhampton University and NMiTE. Further projects will be taken to the LEP to seek funding for delivery.

### Developer Contributions S106

- Developer contributions continue to support the capital investment need associated with developments throughout the Country.

### Capital Receipts

- The Council maintains a register of surplus property assets. These are reviewed by the Corporate Property Board, taking account of the prevailing market conditions.
- The public sector landscape of service delivery is now subject to major change. Annual reviews of the Council operational property portfolio will identify potential opportunities for remodelling and co-location, through alternative methods of service delivery. Some assets will be deemed surplus to requirement, not delivering Council priorities or key objectives, and thus progress through the Disposal Policy adopted in the Corporate Property Strategy.
- The Council must prioritise disposal for capital receipts against competing demands for affordable housing land to build social housing and Community Asset Transfers.
- The disposal of surplus assets is critical to deliver the Councils Capital Strategy. Specifically the delivery of the property maintenance and office accommodation review requires receipts to fund PB costs. Capital receipts are deemed a central receipt and so held corporately to use to deliver wider strategic priorities. Until receipts retained in the capital receipt reserve are allocated into the capital programme they reduce the overall borrowing costs of the Council.
- At the end of 2017/18 financial year there was a balance of £42.5m in the capital receipts reserve. There are a number of schemes within the capital programme to be funded by

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capital receipts, the balance will be retained to deliver enhanced investment on the use of these reserves, once business cases have been submitted for approval at Council.

### Revenue

- Both revenue budget and reserves can be used to fund the capital programme, either via a one off contribution to fund a project in its entirety or an annual sum to repay PB debt costs. Ongoing use of revenue should be assessed in relation to the impact on council tax via the use of assessing its prudential indicators. Funding is available throughout the year to fund both revenue and capital innovative projects that will deliver future year on year savings.

4.3 The table in 3.1 shows the expected resources available to fund the capital programme over the next four years.

4.4 The programme is heavily reliant on grants and contributions to fund capital expenditure and these are usually issued with tight timeframes and restrictions attached. The grants may also demand regular monitoring returns to demonstrate the funding has been used in accordance with the plan.

### 5. CAPITAL SCHEME SELECTION

5.1 The capital programme is delivering a number of projects to enable the council to deliver the objectives within the corporate plan 2016-20. Therefore projects that are added to the capital programme are for this purpose and not added as an investment purely to generate income. There are currently no expectations in the MTFs for capital investment to generate a revenue surplus to balance the budget. Although in the long term there are advantages in easing the removal of Revenue Support Grant (RSG) in generating a net revenue position it is not the priority when reviewing projects to add to the capital programme.

5.3 All capital schemes go through a stage process that is detailed in the capital guidance policy, summary details can be seen in appendix d.

5.4 Schemes are continually reviewed against evolving priorities and may be subject to change, redesign or cancellation, to ensure they continue to deliver the requirements of the council and provide value for money.

5.5 Capital funding will be initially allocated to council priorities, and approved by council. The capital guidance policy details the process for the capital funding requests to ensure provision in the capital programme at any time as long as they are approved at a Council meeting or otherwise as delegated by full Council. This is necessary so that services are able to request capital funding at the appropriate time, when sufficient information is available to make an informed decision and opportunities are not lost due to waiting.

### Rationale for Investment

5.6 Capital investment is integral to revenue budget forecasting. Capital investment must be directed to obtain maximum benefit from available resources looking at efficiencies, effectiveness, and economically. Revenue implications must be considered for all capital schemes, this could represent the cost of borrowing, future running costs and projected benefits.

5.7 Funding above the corporate limit of £6.7m is available to support capital investment that gives a clear pay back through revenue budget savings.

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- 5.8 Efficiency and Value for Money is demonstrated within the decision reports for each project and reviewed at the conclusion of a project. Value for Money on the build of a project is secured and demonstrated through utilisation of the Procurement Policies and Framework for managing capital projects.
- 5.9 The council has discretion to make loans for a number of reasons, including economic development. These loans will be treated as capital expenditure. In making loans the council is exposing itself to the risk that the borrower defaults in repayments. The council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, with regard to both the individual loan and that the cumulative exposure of the council is proportionate and prudent. The council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans will be subject to close, regular monitoring.
- 5.10 The Corporate Property Strategy Board will see the regular review of assets to ensure they are still required to deliver council priorities, alternatively assets may be recycled or deemed surplus to requirement. Sale of assets will deliver revenue savings and generate corporate capital receipts for investment in future capital schemes. Future building requirements will need to assess the concept of sale and leaseback and multi-use, shared approach for occupation.

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### 6. CAPITAL MONITORING

- 6.1 Capital investment requirements are significant, however, capital finances are limited at £6.7m, due to the repayment of interest in the revenue budget for corporately funded projects and central government current funding levels are expected to reduce. Herefordshire Council must have a prudent approach to capital allocation and monitoring to ensure scarce resources are used to maximum effect.
- 6.2 Due to the significant changes that occur during capital programme implementation and forecasting it is considered prudent to maintain:
- a reserve list of deferred capital schemes that can be accelerated or delayed as required
  - a contingency sum that should be included in all projects, due to the impact an increase in inflationary capital costs can have over the length of the project.
- 6.3 As part of a project's business case, an option appraisal is carried out and a whole-life costing review is undertaken before a capital scheme is included in the capital programme, this is then developed to detailed costings so an informed decision to spend can be made.
- 6.4 Once a capital scheme is included in the capital programme it is monitored following appropriate project management methodology, using experienced officers in each service area, through a number of project boards.
- 6.5 In addition to significant individual projects, the capital programme also includes the council's annual Highways and Transportation capital programme of investment. This is guided by the Local Transport Plan to invest in the improvement and maintenance of the local transport infrastructure. Targets relating to highway maintenance standards, road safety and sustainable transport ensure that expenditure is in line with corporate plan objectives and outcomes expected by central government. This programme is managed through the Major Infrastructure Delivery Board and through the commissioning arrangements with Balfour Beatty.
- 6.6 Directorate capital programme monitoring working groups meet monthly to review capital budgets and schemes, feeding issues into the Executive and reports to Cabinet. Quarterly the capital finance position is reported and any issues with project delays and delivery will be raised.

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Appendix A

## Approved capital programme

	Prior Years £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Total Capital Programme Budgets £000s
<b>Adults and Communities</b>						
Disabled facilities grant	-	1,853	1,853	1,853	1,853	7,412
Hillside	-	250	1,250	-	-	1,500
Single Capital Pot	19	523	73	-	-	615
Private sector housing improvements	14	242	-	-	-	256
<b>Total Adults &amp; Communities</b>	<b>33</b>	<b>2,868</b>	<b>3,176</b>	<b>1,853</b>	<b>1,853</b>	<b>9,783</b>
<b>Children's &amp; Families</b>						
Colwall Primary School	6,430	320	-	-	-	6,750
Schools Capital Maintenance Grant	797	1,217	1,700	1,200	1,200	6,114
Peterchurch Primary School	7	-	493	5,000	-	5,500
Expansion for Marlbrook school	153	450	5,538	-	-	6,141
SEN & DDA school improvements	-	-	710	-	-	710
Brookfield School Improvements	6	-	1,298	-	-	1,304
CYPD's S106	313	392	605	-	-	1,310
Special Provision Capital Fund	-	-	333	167	-	500
Healthy Pupils	-	-	99	-	-	99
Individual Pupil Needs	-	151	120	-	-	271
Short Breaks Capital	-	-	118	-	-	118
Blackmarston SEN	30	55	-	-	-	85
Replacement Leominster Primary	3	39	-	-	-	42
Basic Needs Funding	-	-	2,058	6,833	-	8,891
2 Year Old Capital Funding	5	101	-	-	-	106
Preliminary works to inform key investment	-	200	1,815	-	-	2,015
Temporary school accommodation replacement	-	450	-	-	-	450
<b>Total Children's and Families</b>	<b>7,743</b>	<b>3,375</b>	<b>14,887</b>	<b>13,200</b>	<b>1,200</b>	<b>40,405</b>
<b>Corporate</b>						
Fastershire Broadband	16,855	5,000	11,420	2,463	-	35,738
IT Network Upgrade	209	291	-	-	-	500
PC Replacement	70	290	-	-	-	360
Data Centre Consolidation	124	106	-	-	-	230
Children Centre Changes	-	370	-	-	-	370
<b>Total Corporate</b>	<b>17,258</b>	<b>6,057</b>	<b>11,420</b>	<b>2,463</b>	<b>-</b>	<b>37,198</b>
<b>Economy and Place</b>						
Hereford City Centre Transport Package	32,321	1,342	1,550	5,438	-	40,651

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Local Transport Plan (LTP)	-	13,539	12,272	12,272	-	38,083
Hereford Enterprise Zone	8,318	4,758	2,924	-	-	16,000
Leisure Centres	9,639	413	-	-	-	10,052
Solar Photovoltaic Panels	503	120	1,511	-	-	2,134
Corporate Accommodation	2,362	509	-	-	-	2,871
ECC's S106	-	756	-	-	-	756
South Wye Transport Package	4,978	4,508	17,067	8,250	197	35,000
Marches business improvement grants	415	1,297	788	-	-	2,500
SEPUBU Grant	-	381	354	-	-	735
Property Estate Enhancement Works	826	1,414	500	-	-	2,740
LED street lighting	5,478	177	-	-	-	5,655
Herefordshire Enterprise Zone Shell Store	-	1,500	5,816	-	-	7,316
Cyber Security Centre Project	-	3,500	-	-	-	3,500
Development Partnership activities	300	5,300	35,000	-	-	40,600
Highway asset management	-	9,790	3,108	-	-	12,898
Hereford Transport Package	-	2,960	-	-	-	2,960
Ross Enterprise Park (Model Farm)	-	800	6,270	-	-	7,070
Three Elms Trading Estate	(8)	125	358	-	-	475
Stretton Sugwas Closed Landfill	93	2	-	-	-	95
Customer Services and Library	10	123	-	-	-	133
Energy Efficiency	-	35	65	-	-	100
Warm Homes Fund	-	-	397	397	165	960
Strangford closed landfill site	20	11	-	-	-	31
Gypsy & Traveller Pitch development	29	331	-	-	-	360
Leominster cemetery extension	21	172	-	-	-	193
Tarsmill Court, Rotherwas	-	400	-	-	-	400
Car Parking Strategy	58	188	-	-	-	246
Car Park Re-Surfacing	-	116	-	-	-	116
Office and Car Park Lighting Replacement	-	135	165	-	-	300
Affordable Housing Grant	-	800	800	800	-	2,400
Community Housing Fund	-	150	-	-	-	150
Revolving Loans	99	101	-	-	-	200
Hereford Library	(6)	351	-	-	-	345
<b>Total Economy and Place</b>	<b>65,457</b>	<b>56,104</b>	<b>88,945</b>	<b>27,157</b>	<b>362</b>	<b>238,025</b>
<b>Total</b>	<b>90,491</b>	<b>68,404</b>	<b>118,428</b>	<b>44,673</b>	<b>3,415</b>	<b>325,411</b>

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## Appendix B

Herefordshire Council, Development & Regeneration Programme															
Development and Regeneration Programme Business Plan - Net Cash Flow - Utilising Council Funding															
14 December 2018															
Project	Type	Total	1	2	3	4	5	6	7	8	9	10	11	12	13
		£'000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030+
<b>Capital Projects Gap Fund Contribution - DRP Budget</b>															
Station Approach	Student Accomodation	17,500	1,000	10,000	6,500										
Country Bus Station	Mixed Use	30,000		1,000	8,000	15,000	6,000								
Hereford Football Ground	Accom and ground imp	18,000		4,000	5,000	2,000	2,000	5,000							
Hereford Enterprise Zone	Office and Industrial	13,000		3,000		5,000		5,000							
Ross Enterprise Park	Industrial	6,050			50	3,000	3,000								
Merton Meadows	Mixed Use	35,000		200	4,800	5,000	10,000	10,000	5,000						
Essex Arms Site	NMITE accomodation	25,000			5,000	5,000	10,000	5,000							
Hereford Business Quarter	City centre office	100		100											
Leominster Retail	Retail	15,050		50		7,000	8,000								
Business Incubation	Incubator space	4,050		50		2,000		2,000							
Franklin Barnes Building	NMITE or commercial	2,500				2,500									
Berrington Street Regeneration	Resi led mixed use	5,150			150				2,000	3,000					
Racecourse, Sport & Leisure	Hotel, conf and leisure	100			100										
Hereford River Quarter	Leisure led mixed use	2,000				1,000	1,000								
Three Elms and Chatsworth Play Fields	Commercial	5,000			1,000	2,000	2,000								
		<b>178,500</b>	<b>1,000</b>	<b>18,400</b>	<b>30,600</b>	<b>49,500</b>	<b>42,000</b>	<b>27,000</b>	<b>7,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Residential Sites Land Value Contribution</b>		-77,125			-2,157	-5,942	-3,377	-3,758	-6,304	-8,820	-7,534	-4,763	-4,763	-4,227	-25,480
	<b>Total</b>	<b>101,375</b>	<b>1,000</b>	<b>18,400</b>	<b>28,443</b>	<b>43,558</b>	<b>38,623</b>	<b>23,242</b>	<b>696</b>	<b>-5,820</b>	<b>-7,534</b>	<b>-4,763</b>	<b>-4,763</b>	<b>-4,227</b>	<b>-25,480</b>
	<b>Cumulative</b>		<b>1,000</b>	<b>19,400</b>	<b>47,843</b>	<b>91,401</b>	<b>130,024</b>	<b>153,266</b>	<b>153,962</b>	<b>148,142</b>	<b>140,608</b>	<b>135,845</b>	<b>131,082</b>	<b>126,855</b>	<b>101,375</b>

### Strategies that Support the Capital Strategy

- **The Corporate Property Strategy**

Contains the Corporate Property Programme for the council.  
It mainly focuses on proposals to:

- Rationalise the current corporate administrative estate
- Introduce better ways of working to drive efficiency, for example home working
- Support the organisation to meet its carbon reduction targets.

The overarching strategy contains a suite of strategies and policies covering:

- Asset Disposal Policy sets out the legal and policy framework about the approach to the disposal of assets. Buildings, where flexible, will be developed into multi use facilities and the overall stock level reduced. The challenges given to retaining assets will be based on value for money and delivery of Council's strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of and proceeds will be reinvested. The disposal of land will be allowed after consideration of sacrificing a capital receipt for transfer of the land for use as social housing.
- Community Asset Transfer Policy complements the Asset Disposal Strategy in that it provides a policy framework to evaluate the benefits of the disposal of assets to the Third Sector at below market value for unlocking the value contained in underutilised surplus public assets. .

- **Local Transport Plan**

This plan covers the policies and delivery plans relating to transport and explains how these contribute to the wider local agenda. It considers the transport needs both of people and of freight and includes the strategic countywide programme of transport infrastructure improvements and maintenance. The aim is to ensure the maintenance, operation, management and best use of the county's transport assets.

Annual funding available for local transport has over recent years been in the region of £10 million to support capital maintenance of the highway asset and support road safety and transport network improvements. In future the level of funding for transport capital investment will be constrained, but remain a significant component of the overall capital programme, reflecting the importance of maintaining this important asset and its crucial contribution to the economic vitality of the county.

- **Schools Capital Investment Strategy**

This strategy has been developed in consultation with Schools, Children and Families Service. Its principles support the vision, objectives and targets of the Herefordshire Council. In so doing, it supports and contributes to the council's Capital Strategy. It specifically seeks to ensure that assets that do not support the objectives of the Herefordshire Council are disposed of through sale to realise a capital receipt or through community asset transfer, that investment is clearly linked to specific objectives and targets; and that assets such as schools, children's centres, youth centres and children's multi-agency offices are corporate resources, available to accommodate delivery of wider services to the community from across Herefordshire. The strategy seeks to join up future capital funding streams wherever possible to ensure that best value is achieved from the funding available and to maximise the benefits realised from the investment.



## HEREFORDSHIRE CAPITAL STRATEGY 2018-2030

- **Digital Strategy**

The Digital Strategy aims to ensure that Herefordshire Council has a stable, fit-for-purpose and sustainable information, communications and technology platform and service organisation capable of supporting the drive to deliver efficient and effective services to the citizens, directorates, businesses, organisations, members and public sector partners within Herefordshire. It will assist Herefordshire Council to make more flexible use of technology to achieve efficiencies, access services and share workspace and resources with partner agencies.

- **Medium Term Financial Strategy**

This document is approved annually, based on the budget setting requirements of the council and reflects on the strategic and operational intentions over a three-year time frame. It covers the capital programme and funding streams including the affordability of prudential borrowing and use of capital to facilitate revenue budget savings in future years.

- **Treasury Management Strategy**

This strategy sets out the council's overall approach to treasury management operations including the capital programme and links to the borrowing limits, minimum revenue provision in relation to debt repayment and prudential indicators.

The following diagram therefore illustrates the various stages of the approval process:

