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CAPITAL STRATEGY

2026 - 2036

Contents

1. Executive Summary

Haringey Council's Capital Strategy sets out a clear framework for delivering long-term, sustainable investment that supports the clear ambition set out in Haringey 2035 - to be a fairer, greener borough where everyone can belong and thrive. We are investing in the future of our communities—guided by robust evidence, shaped by local voices, and grounded in financial responsibility.

Our approach is rooted in the Haringey Deal. We engage directly with residents, grassroots organisations, and partners to ensure our investments reflect lived experience and local priorities. This collaborative approach shapes not only what we build, but how we build it—with inclusivity, accessibility, and wellbeing at the core.

In recent years however, the macroeconomic context has shifted dramatically in UK local government. Inflation and economic uncertainty have significantly impacted the Council's financial position, making borrowing more expensive and increasing the cost of delivering essential services. Rising prices across construction, energy, and care services, combined with growing demand for adult social care, children's services, and temporary accommodation, have placed unprecedented pressure on our budget.

Meanwhile, limited Government funding means that the Council has had to secure Exceptional Financial Support (EFS) in order to present a balanced budget. EFS is a short-term measure; while it alleviates in-year pressure it creates long-term financial pressure by increasing borrowing and future debt servicing costs, adding long-term pressure to the MTFS. Every £1m capitalised in this way typically adds around £62,000 per year in costs over 20 years, reducing flexibility for future investment and increasing the structural gap in revenue budgets. It also reduces the resources available for investment against Borough Vision priorities.

In response to this, our capital strategy is changing. We are taking a more focused, flexible, and financially sustainable approach, prioritising investments that deliver long-term value and reduce revenue pressures. This includes reviewing the capital programme to reduce borrowing costs, pausing lower-priority schemes, and identifying opportunities to divest from underperforming or financially unsustainable assets. When it comes to investment towards the aims of Haringey 2035 we will need to 'do more for less', prioritising what matters most to residents and protecting those in greatest need, while managing risk and delivering value for money.

We must build flexibility into our budget planning —ensuring our plans can adapt as costs rise or priorities shift. We'll focus on projects that are financially sound, where risks are clearly understood and managed, and maximise external funding to deliver lasting public value.

This strategy integrates the Housing Revenue Account (HRA) and General Fund (GF) into a single portfolio view for governance and reporting, while maintaining statutory ring-fencing for the HRA. It sets the framework for prudence, affordability and sustainability and adopts a whole-organisation approach to business cases, assurance and benefits realisation.

This Capital Strategy therefore translates our ambition into a disciplined, long-term programme of investment in housing, places, community infrastructure, connectivity and the public estate. It brings together these ambitions with our Medium-Term Financial Strategy (MTFS) to determine where we invest, what we can afford, how we finance it, and how we assure delivery.

It is our ambition that by 2035, the Capital Strategy will have delivered a programme that is affordable, prudent, and sustainable. Success means all borrowing decisions are considered essential, and within approved Treasury Management limits, with annual reviews confirming affordability, resilience, and strategic alignment. Reliance on Exceptional Financial Support will be minimised, replaced by a balanced capital programme that maximises external funding and capital receipts, reduces year on year borrowing increases and underpinned by robust governance. However, despite the financial challenges, the Council will deliver measurable outcomes to our communities, including thousands of new affordable homes, major infrastructure upgrades, and demonstrable progress toward net zero carbon targets—ensuring long-term social value and financial sustainability for the borough.

2. Capital strategy and long-term ambition

The Capital Strategy sets the direction for the 10-year capital investment plan, while having a 20-30 year outlook for the assets it creates, such as housing, highways, schools and other social and physical infrastructure.

Through this strategy, the Council will adopt an evidence-led approach to ensure we invest responsibly whilst protecting essential frontline services and supporting the most vulnerable to address some of the disparities in health, income and housing. Our decisions will drive sustainable investment and inclusive growth, and we will use our leverage to encourage our partners in the community and beyond to do the same.

To manage its strategic investments, the Council will adopt a structured approach:

i. Implement a Strategic Capital Investment Framework

ii. Align Capital Investment with the 2035 Vision

iii. Strengthen Governance and Delivery

iv. Review and refresh the Capital Strategy annually

(i) Implement a Strategic Capital Investment Framework

The Capital Strategy provides a framework for the Council's capital investments by aligning evidence-led decision-making with financial and socio-economic sustainability, structured risk management, and strong governance, in line with the principles of the Prudential Code.

It sets out the Council's commitment to ensure our investment decisions:

- are strategically aligned and based on demonstrable need
- embed financially viability and effective risk management
- are socially sustainable, using local and regional levers to advance shared priorities

The Council adopted its Capital Delivery Framework in July 2025. Under this framework, any new investment, and any existing capital schemes moving to a new phase of delivery, are required to submit business cases, prepared to a standardised template and based on the HM Treasury's Five-Case Model. This ensures there is a clear, evidence-based rationale for the capital programme and that it responds to identified local and strategic priorities. Business cases are further underpinned by robust due diligence and a standardised business case methodology, incorporating comprehensive financial appraisals and structured risk assessments. Supported by consistent documentation, this approach ensures that options are well-appraised, affordability is tested, and risks are proactively managed to enable well-informed and sustainable investment decisions. Sustainability is a core requirement of the framework, with financial, environmental and equality assessments embedded in investment decisions and delivery planning.

Reflecting the principles of the Haringey Deal, the Framework relies on collaboration to maximise social benefits. It promotes meaningful engagement with key stakeholders such as local community groups and residents; external funders and delivery partners, to actively shape investment decisions and outcomes.

To maintain affordability and resilience, the Council will adopt a structured and proactive approach to capital investment, including comprehensive financial appraisals which incorporate lifecycle costing, contingency planning, and long-term revenue implications; and prudent borrowing practices, ensuring debt levels are aligned with the Medium-Term Financial Strategy and repayment plans are sustainable. Wherever possible, the Council will also seek to maximise external grant funding to replace borrowing, thereby improving the overall affordability of the capital programme.

(ii) Align Capital Investment with the 2035 Vision

Our Haringey Vision 2035 has been co developed with residents, communities, partners, council staff, and visitors. It sets out a bold ambition for the borough, envisioning a future where:

All residents have the opportunity to thrive and live the best possible version of their lives.

The quality of life across the borough matches that of our cleanest, greenest, and safest neighbourhoods.

In a time of uncertainty and change, Haringey is a place where people can put down roots and truly feel they belong.

To deliver this vision, the Council has identified six calls to action that reflect the priorities and foundations of a future Haringey. It is essential that our Capital Strategy and associated Capital Programme aligns with these priorities, as expressed through consultation, ensuring that investment decisions are responsive, inclusive, and future focused.

Our Capital Programme focuses on:

- Investing in places that help people thrive. Guided by strong local evidence, our Capital Strategy supports the delivery of affordable, zero carbon homes, sustainable economic growth, and infrastructure that promotes health, wellbeing, and opportunity for all.
- Creating spaces that bring people together. From high quality public spaces and community facilities to sustainable transport and green infrastructure, our investments are designed to build resilience and unlock potential across every neighbourhood.

- Protecting and enhancing natural assets. We are safeguarding Haringey's green spaces to support biodiversity, tackle climate change, and create a healthier, more sustainable borough.
- Supporting evolving town centres. We are investing in flexible, future ready spaces that reflect new ways of living and working—supporting local businesses, improving access to green space, and creating vibrant, inclusive destinations.
- Improving connectivity. We are enhancing active travel routes and digital infrastructure to reduce inequality and ensure everyone can access opportunities—wherever they live.
- Embedding innovation. We are investing in digital solutions that improve services, empower residents, and support smarter, data driven decision making.

In line with this Strategy, these priorities will be delivered through a capital programme that is affordable, prudent, and sustainable and the full draft programme for 2026/27 to 2030/31 in included at Appendix 7 of the main budget report elsewhere on the agenda.

The Council's drivers for investment against these calls to action are set out in greater detail in Section 4 below.

(iii) Strengthen Governance and Delivery

Our Strategic Capital Investment Framework is underpinned by the principles of the Corporate Delivery Governance Framework. Through enhanced governance, the Framework ensures that the capital programme is both strategically aligned and financially sustainable. It will provide oversight of the entire capital programme through standardised monitoring, reporting, and escalation processes; integrating the Capital Programme with key strategic objectives as set out in the Capital Strategy, Medium-Term Financial Strategy (MTFS), Corporate Delivery Plan, and 2035 Borough Vision.

The Governance Framework establishes a three-tier structure of capital boards to provide strategic oversight and facilitate cross-departmental collaboration. These forums enable integrated planning, early engagement, and strategic steer across services—maximising opportunities ahead of delivery and ensuring that capital investments are aligned, viable, and responsive to changing priorities. This structure supports flexible resourcing, transparent decision-making, and consistent application of governance standards across the capital programme.

The HRA Capital Programme constitutes the largest share of the Council's annual capital investment, driven by statutory compliance, building safety, planned maintenance, retrofit ambitions, and the delivery of new homes. Under this strategy, HRA capital delivery will be governed and reported alongside the General Fund programme to provide a single portfolio view of commitments, risks and overall capacity. Integration will ensure valuable delivery skills are deployed where they add the most value, that market and inflation risks are managed at portfolio level and visible within Framework governance, and that phasing decisions reflect the Council's overall affordability and risk appetite. Notwithstanding, HRA ring-fencing and statutory requirements will continue to be observed.

Robust programme management and accountability are central to the successful delivery of the capital programme. Supported by the Finance and Resources PMO, the framework provides consistent governance, assurance, and portfolio-level oversight across all projects. The PMO delivers strategic support through gateway reviews, standardised reporting, and risk escalation mechanisms, ensuring that investment decisions are evidence-based, transparently reported to Members and Senior Officers, and fully aligned with the Capital Strategy, and Haringey's strategic priorities.

(iv) Annual review of the Capital Strategy

The Capital Strategy will be reviewed annually to ensure it remains responsive to changing strategic priorities, economic conditions, and funding opportunities.

Each review will confirm that the strategy continues to align with political priorities and reflect the interests of our communities. This includes incorporating corporate plan objectives, and emerging policy directions to ensure investment decisions are consistent with the Council's democratic mandate and supports effective policy delivery.

The process will also test the Council's borrowing position to ensure it remains financially sustainable. In particular, large-scale investments—such as those in Placemaking and Housing—will be assessed for proportionality and affordability against the Treasury Management Strategy, the Council's borrowing limits.

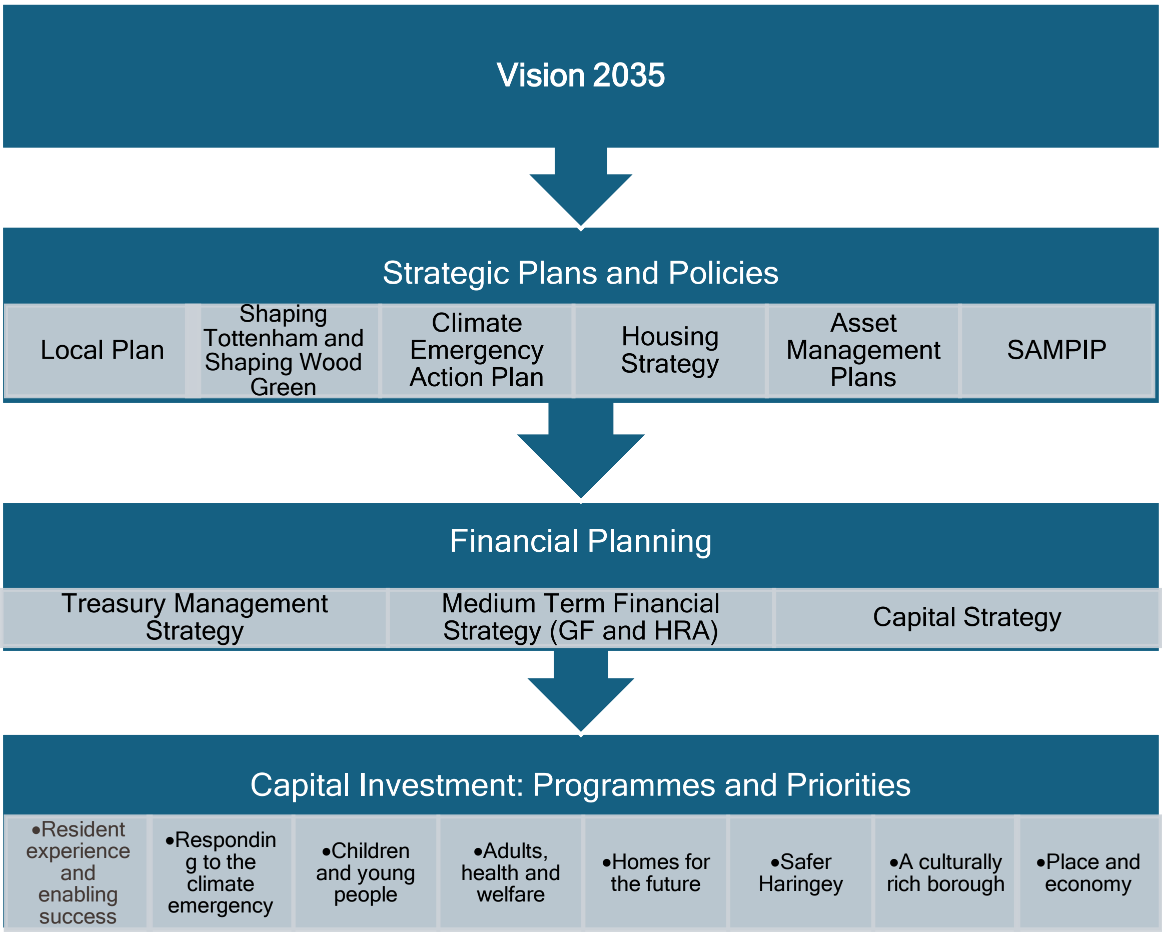
The annual review will incorporate updated financial forecasts, lessons learned from programme delivery, and feedback from governance forums. This approach ensures that the Capital Strategy continues to support sustainable, affordable, and well governed investment decisions.

The annual review will be reported to Cabinet and approved by Full Council, ensuring transparency, robust governance, and compliance with statutory requirements, including the Prudential Code.

3. Strategic Planning Framework

The Capital Strategy is embedded within an integrated Strategic Planning Framework that connects the Council's strategic plans and policies—including statutory obligations, the Borough Vision, and Corporate Delivery Plan—with robust financial planning and operational business planning. This alignment ensures that capital investment decisions are legally compliant, outcome-driven and financially sustainable. By linking long-term ambitions to clear delivery plans and prudential financial boundaries, the framework provides an implementable programme that balances ambition with affordability, resilience, and sound governance.

Strategic Planning Framework



(i) The Vision, Strategic Plans and Policies

The Council's Vision and strategic policies provide the foundation for all capital investment decisions, ensuring they deliver long-term ambitions while meeting statutory duties.

The Haringey 2035 Vision sets three overarching ambitions and six Calls to Action, which shape the borough's desired outcomes and guide the prioritisation of capital investments. All capital projects must evidence a measurable contribution to these ambitions, promoting inclusive growth, sustainability, and improved quality of life.

The Council's strategic plans operationalise the Vision, embedding legal responsibilities and statutory obligations into every stage of capital planning. Compliance with legislation and statutory guidance ensures that every investment decision supports sustainable, inclusive development and meets regulatory standards.

Statutory frameworks such as the Local Plan, Homelessness Strategy, and Health and Wellbeing Strategy are embedded to ensure compliance with national legislation. Other key policies and plans include:

- **Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023–28** – Provides the corporate framework for property investment, maintenance, and asset rationalisation, ensuring lifecycle management and optimised utilisation to support service delivery and financial efficiency.
- **Housing and Building Safety Framework –** Incorporates the Housing Strategy 2024–2029, Council Housing Energy Action Plan, and Building Safety Strategy to deliver housing quality, safety, and decarbonisation, ensuring compliance with building safety legislation and climate commitments.
- **Climate Change Action Plan –** Establishes the route map to achieve a net zero carbon borough by 2041 and net zero Council operations for core buildings and fleet. Capital projects must demonstrate measurable carbon reduction and resilience outcomes.
- **Digital Transformation Agenda** – Drives service modernisation and connectivity across the borough, enabling data-driven decision-making, efficient service delivery, and inclusive access for residents.

Collectively, these plans and policies ensure that every capital investment delivers statutory compliance, aligns with corporate priorities, and achieves long-term benefits for the borough.

(ii) Financial Planning

The Council's financial planning provides the foundation for financially sustainable capital investment and is fully aligned with CIPFA's Prudential Code and Treasury Management Code. It ensures that all capital decisions are affordable, prudent, and proportionate to the Council's long-term financial capacity.

<u>Financial Policies</u>

The Treasury Management Strategy, Reserves Policy, and Minimum Revenue Provision (MRP) Policy establish prudential boundaries and reporting expectations, ensuring compliance with statutory guidance and CIPFA codes. These policies collectively define the Council's borrowing limits, risk appetite, and reporting standards, ensuring transparency and statutory compliance.

<u>Medium-Term Financial Strategy (MTFS)</u>

The MTFS sets the financial parameters for the Council over a rolling five-year period, delivering comprehensive financial forecasts and affordability assessments to ensure compliance with prudential indicators. It ensures financial sustainability in the General Fund and Housing Revenue Account by assessing the affordability of capital expenditure, managing long-term revenue implications, and embedding risk management into financial planning. This framework supports informed decision-making and balances ambition with resilience by applying CIPFA principles of prudence, sustainability, and proportionality to all capital decisions.

Capital Strategy

The Capital Strategy defines the Council's vision and principles for capital investment, ensuring alignment with corporate priorities and statutory obligations. It sets out how capital resources will be allocated, how investment opportunities will be evaluated, and how sustainability and risk will be embedded in delivery. The strategy is reviewed annually to remain responsive to economic conditions and funding landscapes.

Together, these components form an integrated financial planning framework that underpins the wider strategic planning framework, enabling the Council to deliver impactful, sustainable investment for the benefit of its communities.

(i) Capital Investment Programme and Priorities

The Capital Programme operationalises strategic priorities and financial parameters into deliverable projects, embedding capital requirements within service planning, asset management, and improvement agendas. This creates a clear line of sight from corporate objectives to operational delivery through a multi-year schedule of approved projects.

Each project undergoes structured gateway reviews and rigorous financial appraisal to confirm deliverability, affordability, and alignment with strategic priorities. The programme is managed in accordance with the CIPFA Prudential Code, ensuring affordability, prudence, and sustainability. Ongoing monitoring tracks compliance with prudential indicators, governance standards, and risk management protocols. The programme remains flexible, allowing for reprioritisation in response to emerging needs or external funding changes.

Together, strategic anchors, financial planning, and business planning form a cohesive Strategic Planning Framework that links statutory compliance and corporate vision to financial governance and operational delivery. This integrated approach guarantees that capital investment decisions are legally compliant, strategically aligned, and financially sustainable within prudential limits. By embedding transparency, risk management, and measurable social value, the framework enables the Council to deliver capital programmes that achieve long-term outcomes for the borough and address demonstrable need.

4. Evidence of need

Haringey is a borough of contrasts—rich in diversity, culture, and opportunity, yet facing persistent socio-economic challenges. As the borough continues to grow and change, the demand for targeted, strategic capital investment is increasing.

The Council's Vision 2035 sets out the overarching ambition for all Council activity, including the Capital Strategy. To ensure capital investment delivers the best outcomes for communities, it must be underpinned by a robust understanding of local needs, demographic trends, and place-based challenges.

There is a clear and demonstrable need for capital investment across key service and infrastructure areas. The evidence base highlights the requirement for a focused and sustainable capital programme that supports the delivery of the Council's six Calls to Action, which form the foundation of Vision 2035:

1. **Safe and Affordable Housing** – ensuring access to high-quality, secure, and sustainable homes
2. **Thriving Places –** investing in vibrant, inclusive, and economically resilient neighbourhoods
3. **Supporting Children and Young People** – creating environments that enable young people to thrive
4. **Feeling Safe and Being Safe** – enhancing community safety and public confidence
5. **A Healthy, Caring Haringey** – promoting health, wellbeing, and integrated care
6. **A Fair and Equal Borough** – tackling inequality and supporting inclusive growth

By aligning capital investment with these strategic priorities, the Council can ensure that resources are directed where they are most needed, deliver long-term value for money, and support Haringey's ambition to be a borough where all residents can thrive.

1. Addressing critical housing needs though Safe and Affordable Housing

Housing remains one of the most pressing challenges in Haringey, mirroring wider pressures across London. The borough has seen a 47% increase in median house prices since 2014, reaching £565,000, and pushing the affordability ratio to 14.32—well above the London average. At the same time, the number of households has grown by 8.1%, outpacing population growth, while 21% of private rented homes are classified as non-decent. Rising demand for temporary accommodation continues to place significant financial and social strain on the Council and residents alike.

These trends highlight the urgent need for capital investment to expand the supply of affordable housing, improve housing quality, and ensure that development meets the needs of all tenure groups. A proactive, strategic approach is essential to deliver safe, sustainable, and inclusive homes that support long-term wellbeing and economic stability. The Council's Housing Strategy commits to the following investment priorities:

- Building and retrofitting council homes to high environmental and safety standards
- Delivering 1,592 new homes annually in line with the Council's Housing Strategy
- Strengthening regulation and enforcement in the private rented sector
- Continuing investment in homelessness prevention and supported housing
- Eliminating damp and mould and ensuring all council homes meet the Decent Homes Standard

2. Unlocking local potential through place-based interventions to create Thriving Places

Haringey's geography presents both challenges and opportunities. While the borough is predominantly residential, commercial activity is concentrated in key corridors such as Wood Green and Tottenham High Roads. These areas are critical to unlocking local economic potential and addressing spatial inequalities.
Despite its strengths, Haringey ranks 205th out of 324 local authorities in the Vibrant Economy Index, highlighting the need for targeted investment in prosperity, inclusion, and wellbeing. However, the borough also benefits from significant assets, including:

- 25 Green Flag Parks, providing a strong foundation for green infrastructure
- Established cultural clusters in Wood Green and Tottenham
- The 2027 Borough of Culture designation, offering a platform for long-term cultural investment
- Tottenham's role as a major leisure destination and host of UEFA Euro 2028, presenting a unique opportunity for legacy placemaking

To capitalise on these opportunities, the Council is progressing two major spatial strategies—Shaping Tottenham and Shaping Wood Green, alongside the Inclusive Economy Framework to drive growth in the borough. These provide a framework for place-based capital investment that delivers:

- Revitalised high streets and town centres, shaped by community-led design
- Enhanced public spaces, parks, and cultural venues that foster social cohesion and civic pride
- Support for local businesses and social enterprises, driving inclusive economic growth

Capital investment in these areas will stimulate local economies, improve quality of life, and create resilient, vibrant places that reflect the borough's diversity and ambition.

3. Supporting Children and Young People by Responding to Demographic Change and Youth Opportunity

Haringey's demographic profile presents both opportunities and challenges for capital investment. According to the 2021 Census, Haringey has a notably young population, with a significant proportion of residents aged under 35, while the number of residents aged 65 and over is growing faster than the London average. This dual demographic shift highlights the need for intergenerational infrastructure that supports residents at every stage of life.

Strategic capital investment is essential to enable young people to thrive through access to high-quality education, safe spaces, and creative opportunities. To meet these needs, the Council will prioritise investment in:

- Upgraded schools and early years settings to improve learning environments and educational outcomes
- Sports facilities, and creative spaces that foster skills, confidence, and community engagement
- Strengthening community partnerships to support early intervention and youth engagement

In the long-term, these investments will contribute to a healthier, more resilient borough.

4. Physical Improvements to promote Feeling Safe and Being Safe

Haringey's urban density and socio-economic disparities contribute to complex community safety challenges. Perceptions of safety, particularly in public spaces, directly impact residents' wellbeing, mobility, and social cohesion. Addressing these concerns is essential to ensuring that all residents feel secure and included in their neighbourhoods.

Strategic capital investment is therefore required to create safer environments and reduce crime through preventative, place-based design. This includes:

- Installing improved street lighting, CCTV, and safe travel routes to deter anti-social behaviour and enhance visibility
- Redesigning public spaces to promote safety, accessibility, and inclusion for all residents and reduce fear of crime
- Funding community safety partnerships to address root causes of crime

5. Supporting Health and Wellbeing Across Life Stages for A Healthy, Caring Haringey

With a projected mid-year population of 264,300 in 2025, Haringey is experiencing steady growth alongside a rapidly ageing population. However, this growth is accompanied by significant health inequalities, with life expectancy and healthy life expectancy closely aligned to levels of deprivation across the borough.
These disparities highlight the urgent need for capital investment in infrastructure that supports physical and mental health, promotes active lifestyles, and reduces long-term vulnerability—particularly for those with complex needs.

Strategic capital investment will focus on:

- Expanding active travel infrastructure to encourage walking and cycling as part of daily life
- Enhancing green spaces to support physical activity, social connection, and environmental resilience

These investments will reduce pressure on emergency and long-term care services, improve health outcomes, and contribute to a more equitable and caring borough.

6. Investing to create a Fair and Equal Borough

Haringey experiences persistent and significant levels of deprivation, particularly concentrated in the east of the borough. Several of these areas rank among the most deprived wards in the country, reflecting long-standing disparities in income, employment, and health outcomes. Many residents earn below the London Living Wage, and there are significant gaps in healthy life expectancy between the most and least deprived areas. These inequalities are structural and long-standing, requiring targeted capital investment to create a fairer, more inclusive borough.

Strategic capital investment must be directed toward inclusive economic development that addresses systemic barriers and unlocks opportunity for all communities. This includes improving access to digital infrastructure, transport, skills, and community-led initiatives that build local resilience and social value.

Capital investment must:

- Embed equality and environmental impact assessments in all capital programmes to ensure inclusive and sustainable outcomes
- Fund digital inclusion, accessible transport, and inclusive design to reduce barriers to participation in education, employment, and civic life
- Invest in enterprise infrastructure to support economic mobility and reduce in-work poverty

These investments will ensure that capital expenditure delivers long-term social and economic value for all residents.

5. Internal influences

The Council's Capital Strategy is shaped by a range of internal factors that ensure investment decisions are aligned with organisational priorities, financial sustainability, and statutory obligations. These influences directly inform the Capital Programme, which translates strategic intent into deliverable projects that achieve measurable outcomes for residents and communities.

Key internal influences include:

The Treasury Management Strategy Statement

The Treasury Management Strategy (TMSS) sets out how the Council will manage its cash flows, borrowing, and investments to finance capital expenditure. It provides the financial framework that ensures the Capital Programme is affordable, prudent, and sustainable over the medium term, in line with the CIPFA Treasury Management Code and the Prudential Code.

By aligning borrowing decisions with the Council's risk appetite, investment priorities, and cash management strategy, the TMSS supports effective financial planning and safeguards long-term financial resilience. This alignment ensures that capital projects can be delivered without compromising the Council's financial stability or statutory obligations.

Crucially, the TMSS enables the Capital Programme to translate strategic ambitions into tangible outputs—such as improved housing quality, modernised public assets, and enhanced digital infrastructure - by establishing an affordable borrowing policy within prudential limits. These outputs directly contribute to community outcomes, including inclusive growth, climate resilience, and improved quality of life for residents.

The Corporate Delivery Plan 2024-26

The Council's Vision and long-term goals strongly influence the Capital Strategy, The Corporate Delivery Plan sets out a medium-term framework to achieve the objectives of the Vision, ensuring that capital investment is aligned with resident needs and borough-wide transformation goals. The Corporate Delivery Plan (2024–26) translates the Council's Vision into actionable deliverables across eight thematic priorities:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare

- Homes for the future
- Safer Haringey
- A culturally rich borough
- Place and economy

These themes guide service planning, resource allocation, and investment decisions, providing a strategic foundation for identifying capital projects that deliver measurable outcomes, support inclusive growth, and reflect community aspirations. Through these themes, the Corporate Delivery Plan (CDP) establishes the outcomes and priorities against which all capital projects are assessed.

The current Corporate Delivery Plan will end in April 2026 with a new plan in place in Autumn 2026 but at the time of publishing this Capital Strategy, the current priorities remain.

Internal Capacity and Expertise

The effectiveness of the Capital Strategy depends on the Council's ability to deploy skilled resources and technical expertise. Limited capacity or specialist knowledge—such as project management, commercial negotiation, or financial analysis—can lead to delays, cost overruns, and weakened risk management. Over-reliance on external consultants increases costs and erodes institutional knowledge, compromising long-term resilience. Building and retaining internal capability in areas such as legal, procurement, and technical evaluation is therefore a strategic priority to ensure projects deliver value, mitigate risk, and support financial sustainability.

There are a number of Internal policies set the framework for how the Capital Strategy is implemented.

Strategic Asset Management and Property Improvement Plan (2023–28)

Haringey's Strategic Asset Management and Property Improvement Plan (SAMPIP) is a core companion to the Capital Strategy, providing the framework for managing and investing in council-owned assets. It identifies the need to invest in civic buildings, commercial properties, and operational assets to ensure they are safe, efficient, and aligned with the Council's strategic direction and service requirements. SAMPIP establishes a structured approach for managing the property portfolio in line with financial sustainability and service delivery objectives. In alignment with the Capital Strategy, decisions on asset investment, retention, and disposal are evidence-based and subject to governance under the Corporate Landlord model and Commercial Property governance.

Through engagement with external partners such as One Public Estate, SAMPIP ensures that capital decisions reflect broader strategic priorities and community needs. The Asset Challenge process and Commercial Property Review support a data-led approach to identify opportunities for investment, divestment, and repurposing, ensuring the estate remains responsive, efficient, and future-proofed.

Alongside SAMPIP, the Council has undertaken an Asset Review to provide a strategic, evidence-led understanding of the estate—covering condition, suitability, utilisation, energy performance, and financial contribution. The Asset Review is distinct from SAMPIP: it is a decision-support exercise focused on portfolio options and prioritisation, while SAMPIP provides the standing policy, governance, and improvement framework for the Corporate Landlord function. Insights from the Asset Review will inform disposals and acquisitions, co-location and service hub opportunities, estate consolidation, meanwhile uses, and investment prioritisation.

Combined, SAMPIP and the Asset Review will support a pipeline of receipts to fund the Capital Programme and reduce revenue running costs, while safeguarding statutory services and community outcomes. Decisions arising from the Asset Review will follow the gateway business case process and be subject to consultation, equalities assessment, and the Council's disposals policy. Where assets are proposed for release, options for community value—such as Assets of Community Value listings or meanwhile use—will be considered alongside financial, legal, and service impacts.

Housing Strategy for Haringey 2024- 29

The Housing Strategy for Haringey 2024–2029 represents one of the most significant areas of capital investment to achieve borough-wide priorities. With a commitment to delivering 3,000 new homes by 2031, alongside major investment in new builds, retrofitting, and housing quality and safety improvements, the strategy provides a foundation for the Council's long-term financial planning and asset management objectives.

HRA capital investment is embedded within the Council's overarching Capital Strategy, ensuring compliance with the CIPFA Prudential Code and alignment with corporate priorities. Funding decisions are integrated with the Medium-Term Financial Strategy (MTFS) and Treasury Management Strategy Statement (TMSS) to maintain affordability, prudence, and sustainability. Each project is subject to financial appraisal and the Council's capital governance processes to confirm deliverability and financial resilience.

By prioritising housing delivery, safety, and sustainability, HRA investment ensures that capital resources generate both financial resilience and measurable social value.

Procurement and Commissioning

The Procurement Strategy embeds principles that shape how capital projects are commissioned, delivered, and evaluated, ensuring that investments deliver value for money, social value, and local economic benefits. Key procurement principles—such as commercialism, contract performance management, and sustainability—are integrated into capital delivery processes to ensure projects are financially viable and contribute to broader strategic outcomes, including environmental goals and inclusive growth.

Procurement practices are aligned with the CIPFA Prudential Code and the Council's governance framework, supporting transparency, risk management, and long-term affordability. By embedding these principles into the lifecycle of capital projects, the Council ensures that procurement not only supports operational delivery but also maximises public benefit and strategic impact.

Local Plan

The Local Plan sets the spatial and development framework for Haringey, guiding how and where growth in housing, infrastructure, and employment should occur. It directly informs capital investment by identifying placemaking priority areas and shaping decisions on assets and infrastructure. This ensures that the Capital Strategy supports sustainable development, housing delivery, and climate resilience.

Key growth areas such as Shaping Tottenham and Shaping Wood Green are central to the Local Plan, driving investment in mixed-use development, public realm improvements, and community facilities. These programmes influence the Capital Programme by prioritising development opportunities which deliver inclusive growth and economic vitality.

The Local Plan also identifies strategic infrastructure needs, including transport connectivity and green spaces. Investment in transport corridors, active travel routes, and public transport enhancements supports accessibility and sustainable mobility. Similarly, improvements to parks and open spaces contribute to health, wellbeing, and environmental resilience, aligning with the Council's climate commitments and quality-of-life objectives.

By embedding these priorities into the Capital Programme, the Local Plan ensures that capital investment decisions are spatially targeted, legally compliant, and focused on creating vibrant, connected, and sustainable communities.

Climate Change Action Plan 2021

The Council has set an ambitious target to become a net zero borough by 2041. which requires a fundamental shift in how capital investment is planned, prioritised, and delivered. Through extreme weather, energy insecurity, and environmental degradation, the climate emergency poses a growing threat to residents, infrastructure, and long-term financial sustainability.

In response to this, the Council must embed climate action across all capital programmes. This includes capital investment in both mitigation (reducing emissions) and adaptation (building resilience) measures, including:

- Decarbonisation of council homes and operational buildings through energy retrofits and low-carbon heating systems
- Improved energy efficiency across the public estate to reduce emissions and operating costs
- Expanding sustainable transport infrastructure, including active travel routes and improved East–West connectivity

- Deliver nature-based solutions such as tree planting, green roofs, and flood mitigation
- Embed climate resilience in all capital planning and delivery, ensuring new developments are future-proofed

The climate emergency presents escalating environmental and financial risks, with the most severe impacts falling on Haringey's most vulnerable communities. These risks—ranging from extreme weather events to energy insecurity—drive up costs and deepen existing inequalities. In response, the Council's capital investment must prioritise climate action that supports environmental sustainability, social equity, and economic resilience. By embedding mitigation and adaptation measures across all capital programmes, Haringey will be better equipped to meet the challenges of a changing climate and deliver a healthier, more sustainable future for all residents.

This plan underpins capital investment by embedding climate resilience and sustainability into long-term investment decisions with the aim to meet net-zero goals by 2041. By prioritising projects that reduce emissions, improve energy efficiency, and future-proof assets, the Council ensures that capital investment not only delivers financial and operational benefits but also addresses climate-related risks, supporting both statutory obligations and strategic objectives for a greener, more resilient borough. The plan will underpin investment decisions relating to retrofitting of homes and buildings, sustainable transport infrastructure (e.g. cycling, EV charging) and renewable energy and carbon reduction projects.

<u>Haringey Digital Infrastructure Delivery Plan</u>

The Haringey Digital Infrastructure Delivery Plan is a key piece of technical evidence to inform infrastructure need in the borough over the next 15 years. It is a data-led digitally informed document which assesses the current level and quality of infrastructure serving the borough, identifies any existing or planned investment in infrastructure, and determines where new or improved infrastructure is needed to address an existing shortfall or to provide for the growth proposed within the emerging new Local Plan.

The IDP is delivery-focused and identifies smart and integrated strategies for delivering new and enhanced infrastructure in the borough. It will provide an evidence base to assist in identifying and negotiating appropriate Section 106 contributions from developers and for the prioritisation of the use of other monies received as developer contributions e.g. Community Infrastructure Levy (CIL). The IDP may also be used as an evidence base document when applying for funding for infrastructure projects from other sources.

<u>Health and Wellbeing Strategy 2024-29</u>

The Health and Wellbeing Strategy sets a clear standard for capital investment by creating environments that enable healthier living. Embedded through health impact assessments, it prioritises improvements to the built environment, including green spaces, healthy streets, and active travel infrastructure; investment in health facilities and community hubs that provide accessible services; and addressing housing quality and environmental factors that directly influence physical and mental health.

These investments support long-term sustainability by reducing health inequalities, enhancing community resilience, and ensuring that capital projects deliver social value alongside financial returns. By embedding health considerations into capital planning, the Council strengthens its commitment to inclusive growth and improved quality of life for all residents.

This approach is further supported by the Early Help Strategy and the Safeguarding Adults Strategic Plan. While these strategies do not require a dedicated capital programme, they significantly influence investment by identifying the need for safe, accessible, and inclusive environments for children, families, and vulnerable adults. They shape the Council's approach to broader health and welfare objectives, informing investment in care facilities, supported housing, and social infrastructure.

Together, these strategies ensure that capital planning aligns with the Council's vision for a healthier, safer, and more inclusive borough, safeguarding assets and ensuring that investments deliver community wellbeing outcomes alongside statutory compliance and financial sustainability.

By embedding these internal influences into the Capital Strategy and Programme, the Council ensures that capital investment decisions are legally compliant, financially sustainable, and directly linked to service outputs and community outcomes. This approach delivers measurable improvements in housing, infrastructure, climate resilience, and digital inclusion.

Other Council strategies, while not supported by dedicated capital programmes, play a critical role in shaping investment priorities by identifying future service needs and infrastructure requirements. These strategies respond to technological, demographic, and societal trends that influence the Council's long-term direction. By informing capital planning, they ensure decisions remain forward-looking, financially robust, and aligned with the Council's overarching objectives.

6. External Influences and Strategic Partnerships

To deliver a capital programme that is both impactful and sustainable, the Council must remain responsive to external influences and actively engage with strategic partners. These influences will directly shape investment and divestment decisions and priorities.

(i) External Influences

Haringey Council's capital programme is shaped not only by local priorities but also by a range of external influences that affect the feasibility, timing, and scope of investment decisions. These factors must be actively monitored and integrated into strategic planning to ensure the programme remains responsive, sustainable, and aligned with broader policy and economic contexts.

Macroeconomic Conditions

Persistent macroeconomic volatility—including rising inflation, elevated interest rates, and slower GDP growth—has materially increased the cost of borrowing and constrained affordability for new capital projects. Higher debt servicing costs and reduced investment confidence are dampening demand, while uncertainty around asset valuations and future revenue streams necessitates more rigorous financial appraisal and scenario planning.

In accordance with the CIPFA Prudential Code, the Council must maintain a prudent, affordable, and sustainable approach by adopting a flexible capital strategy that prioritises projects with strong strategic alignment and resilience to economic shocks. This approach will incorporate continuous monitoring of key indicators such as fiscal policy changes and employment trends, to anticipate and adapt to future macroeconomic developments.

Risk management will remain central to decision-making: these conditions will inform project prioritisation, stress-testing of financial assumptions, and compliance with prudential indicators. At the same time, the Council will proactively identify opportunities—recognising that falling asset prices or policy incentives may create acquisition or partnership prospects. Divestment of underutilised or non-strategic assets will continue as a critical lever to release capital, reduce exposure to market risk, and strengthen liquidity.

National and Regional Policy Alignment

Set by Central Government and the Greater London Authority, national and regional policy and regulation define the strategic and statutory framework within which the Council's capital programme operates. Key policy drivers—such as the UK Government's commitment to achieving Net Zero by 2050 and the Greater London Authority's (GLA) London Environment Strategy—have a direct influence on capital investment priorities, particularly in areas such as decarbonisation, retrofit, and green infrastructure.

In line with the CIPFA Prudential Code, the Council must ensure that its capital strategy remains prudent, affordable, and sustainable while meeting statutory obligations and supporting corporate priorities. This requires aligning investment decisions with national and regional policy objectives, embedding best, and maintaining robust governance to monitor compliance and manage associated risks. As part of the Capital Planning Process, the Council will monitor the financial implications of policy commitments through scenario planning and stress-testing to safeguard the long-term affordability and resilience of the Council's financial position.

Funding Opportunities and Constraints
Government funding and external grants remain a critical driver of capital investment decisions for the Council. Programmes such as the Department for Levelling Up, Housing and Communities' (DLUHC) Levelling Up Fund and the GLA Affordable Housing Grant provide significant opportunities to deliver transformative placemaking, housing, and infrastructure projects. However, these funding streams typically come with strict conditions, delivery milestones, and outcome targets. To secure and retain these funds, the capital programme must be carefully aligned to contractual obligations and demonstrate clear links to both local priorities and national policy objectives.

Recent changes in the Local Government Finance Settlement (2025–26) and the Spending Review 2025 have introduced new grants and funding mechanisms that significantly influence the Council's investment and divestment strategy. Leveraging external funding can reduce reliance on borrowing, lowering debt servicing costs and improving the Council's overall capital position. However, these grants are often conditional, requiring careful alignment of projects to funding criteria and delivery milestones.

While these developments create opportunities for investment, they also introduce constraints. Funding is often time-limited, ring-fenced, and subject to compliance with detailed reporting and performance frameworks. This can restrict flexibility in capital planning and may require reprioritisation of projects to align with grant conditions. Where appropriate, divestment of underutilised assets may be used to provide match funding or strengthen liquidity for co-funded schemes.

As such, the Council's capital strategy must remain agile; leveraging external funding where it aligns with strategic objectives, while managing the risks of dependency on short-term or conditional grants. Continuous monitoring of government policy and funding announcements will be essential to optimise investment opportunities and maintain financial sustainability.

(ii) Strategic Partnerships

Strategic partnerships are integral to delivering a prudent, affordable, and sustainable capital. As an anchor institution, Haringey Council leverages its position to attract co-investment and share risk with key partners, ensuring projects remain aligned with corporate priorities and deliver long-term value. For example, partnerships with organisations such as Tottenham Hotspur Football Club and Alexandra Palace enhance the Council's ability to achieve place-based outcomes, support community cohesion, and unlock external funding streams.

Our partnerships influence the Capital decision-making process by unlocking potential joint delivery models, reducing reliance on borrowing, and improving affordability through shared financial commitments. The Council will maintain robust governance arrangements to ensure partnership activity complies with prudential indicators and contributes to strategic objectives.

Subregional partnerships and influences

To maximise impact and deliver integrated outcomes, the Council will strengthen collaboration with key subregional partners, such as:

- *Greater London Authority (GLA) and Transport for London (TfL):* Joint working on area-based regeneration and transport improvements will ensure alignment with London-wide priorities and unlock access to strategic funding streams.
- *NHS and One Public Estate:* Partnership on estate rationalisation and co-location of services will support integrated care models, reduce duplication, and release capital for reinvestment.
- *Neighbouring Boroughs and Subregional Alliances:* Coordinated planning for housing, infrastructure, and economic development will enable economies of scale and improve bidding success for competitive funding.

These partnerships are critical, as they influence both investment and divestment decisions. Partnerships, for example, can support investment decisions by creating opportunities to share risk, leverage external funding, and deliver projects that would be unviable on a standalone basis. Collaborative schemes, on the other hand, often require pooled resources or matched funding which may require the repurposing or disposal of underutilised assets to support its contribution.

The Council will maintain an adaptive approach, ensuring its capital programme reflects regional priorities while safeguarding local objectives. Continuous engagement with subregional partners will be embedded into governance processes to optimise funding opportunities and enhance resilience to policy and market changes.

Private Sector Partnerships

Private Sector Partnerships play an important role in the Council's Capital Strategy. These partnerships can unlock additional funding, technical expertise, and delivery capacity that the Council alone may not be able to achieve. In an environment of fiscal constraint and rising borrowing costs, leveraging private capital may offer a route to accelerate infrastructure delivery and reduce reliance on debt financing.

Partnerships with developers and other registered housing providers, for example may enable large-scale housing delivery, in alignment with the objectives of the Borough Vision and Corporate Delivery Plan. Mixed-use placemaking projects such as those in Tottenham Hale rely on co-investment models, where private partners share development risk and provide upfront capital.

These partnerships enable innovative funding structures that enhance affordability and long-term financial sustainability, unlocking the delivery of priority capital projects. Through collaboration, the Council can also secure income from developer contributions, including the Community Infrastructure Levy (CIL) and Section 106 agreements, ensuring that investment is allocated in line with local priorities and delivers measurable benefits for residents and communities.

The Council will continue to explore blended finance models and strategic alliances that support its objectives for housing, economic growth, and climate resilience. This includes, engaging with institutional investors, structuring partnerships to deliver social value alongside financial returns; and maintaining robust due diligence and scenario planning to manage risks associated with market volatility and partner dependency.

Local Community, Businesses and Voluntary Groups

Engagement and consultation with residents, businesses, and voluntary organisations play a critical role in shaping the Council's capital strategy. Community input influences the prioritisation of assets and helps ensure that investment decisions reflect local needs and aspirations. Feedback from these groups can guide investment in community facilities, inform the design and location of placemaking projects, and support decisions on the repurposing or disposal of underused buildings. In some cases, strong community demand may accelerate investment in specific areas, while opposition or alternative proposals can lead to project redesign or deferment.

This collaborative approach strengthens the legitimacy of capital decisions, aligns projects with social value objectives, and enhances the Council's ability to secure external funding by demonstrating robust stakeholder engagement.

By engaging with its strategic partners, the Council ensures that its Capital Programme is financially sustainable, socially responsive, and strategically aligned with borough-wide priorities and regional growth objectives. A structured, data-informed engagement process underpins this approach, enabling insights from partners to influence capital planning. Combined with a detailed understanding of external influences, these insights help determine whether to invest, divest, or reprioritise, ensuring decisions reflect demonstrable need, maximise social value, and support inclusive economic growth.

Through these principles, the Council guarantees that capital investment decisions are transparent, inclusive, and deliver measurable benefits for residents and businesses—while maintaining financial resilience and compliance with the CIPFA Prudential Code, governance standards, and statutory obligations.

7. Capital Investment Mapping

The Council's Capital Strategy is shaped by a combination of internal priorities and external influences, ensuring that investment decisions deliver long-term value and resilience. Guided by three core principles, the strategy focuses on:

Principle 1: Fulfilling legal, statutory, and health & safety obligations.

Principle 2: Continuing investment in schemes already under construction

Principle 3: Delivering strategic objectives including new affordable housing.

Every approved and pipeline scheme will be mapped to the three investment principles and to the Borough Vision Calls to Action, CDP themes and Local Plan policies. For each scheme we will record the strategic rationale; outputs and outcomes (with metrics and trajectories); funding sources (grant, contributions, receipts, borrowing, HRA); lifetime revenue implications; milestones; dependencies; and key delivery risks. This mapping—maintained as an appendix and refreshed annually—enables transparent prioritisation, supports funding bids and provides a line of sight from strategic intent to delivered benefits.

Principle 1: Fulfilling legal, statutory, and health & safety obligations.

The Council's first priority is to meet all legal and statutory requirements, including health and safety obligations. These investments are non-negotiable and must be funded to ensure compliance with laws and regulations. By prioritising these obligations, the Council mitigates significant legal and financial risks and protects residents. It reduces exposure to enforcement action, reputational damage, and unplanned cost, and embeds strong risk management into our capital planning. It often includes upgrades to buildings, fire safety, accessibility, and environmental standards.

For example, the Building Safety Strategy 2024–2028 commits £414M of capital investment to major works, essential fire-safety measures, statutory compliance, and structural improvements across the housing portfolio. These investments are not discretionary—they are mandated by legal obligations under the Building Safety Act and Fire Safety Regulations, making them a priority within the Council's capital planning framework. Beyond compliance, this strategy ensures that the Council's housing stock is not only safe but also future-proofed, aligning with long-term asset management objectives and risk mitigation principles set out in the Capital Strategy.

By embedding building safety within capital investment priorities, the Council safeguards residents, protects its assets, and reinforces public confidence in its housing provision.

Principle 2: Continued Investment in Schemes Under Construction

The Council's second priority is to ensure the completion of projects already underway. These schemes represent significant financial and operational commitments and halting or delaying them would result in sunk costs, contractual penalties, and reputational damage. Continued investment safeguards resources already allocated and ensures that the intended benefits—whether housing, infrastructure, or community facilities—are delivered as planned.

This principle is critical for maintaining financial sustainability and public confidence in the Council's ability to deliver. Projects under construction often have interdependencies with other schemes, meaning delays can cascade across the programme, increasing costs and disrupting service delivery. By prioritising these schemes, the Council avoids cost escalation, protects contractual relationships, and ensures that strategic objectives embedded in these projects are realised.

For example, the Council's Broadwater Farm programme is a multi-phase housing investment programme that is already in progress. Stopping mid-delivery would not only waste prior investment but also undermine commitments to residents and partners. Continued investment ensures these schemes reach completion, unlocking new homes, improved public spaces, and economic benefits for the borough. This approach reflects prudent financial management and reinforces the Council's reputation for reliability and accountability.

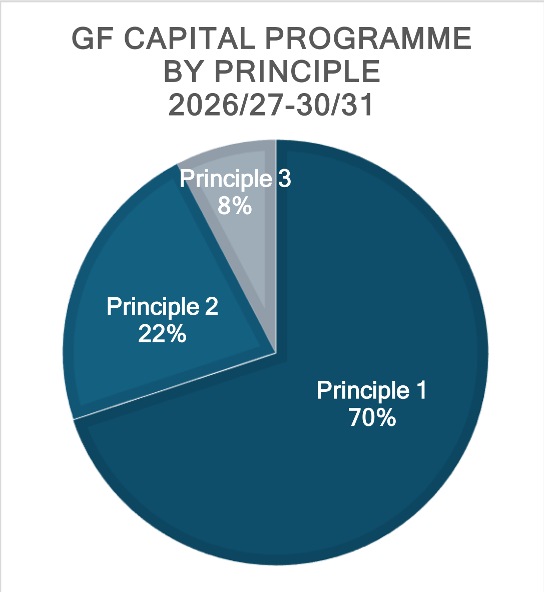
Principle 3: Delivering strategic objectives including new affordable housing

The third principle focuses on advancing the Council's long-term strategic objectives, as set out in the Borough Vision and Local Plan. These objectives are informed by robust evidence and shaped through engagement with residents, businesses, and partners, enabling the Council to respond to demonstrable needs while aligning with regional and national priorities.

Strategic investment spans a wide range of areas, including housing, infrastructure, education, and public realm improvements that foster inclusive growth and improve quality of life. Affordable housing remains an important component of this principle, helping to address local housing needs and reduce reliance on temporary accommodation, while supporting social and economic resilience. However, it sits alongside other priorities such as sustainable transport, community facilities, and environmental enhancements that contribute to a greener, fairer borough.

This category offers the greatest flexibility and discretion within the capital programme, enabling the Council to shape the borough's future, attract inward investment, and deliver transformative outcomes. For example, placemaking schemes that combine new homes with improved public spaces and community amenities exemplify how strategic objectives translate into tangible benefits for residents and businesses.

By committing resources to these schemes, the Council ensures that every investment delivers lasting value, supports financial resilience, and strengthens the borough's social, economic, and environmental foundations.



Capital Programme Principles	General Fund Capital Programme 2026/27 – 30/31 (£m)
Principle 1: Fulfilling legal, statutory, and health & safety obligations.	663.9
Principle 2: Continuing investment in schemes already under construction.	212.5
Principle 3: Delivering strategic objectives including new affordable housing.	72.8
Grand Total	**949.2**

Fulfilling legal, statutory, and health & safety obligations represents the largest category of spend within the Council's capital programme, accounting for approximately 70% of the total General Fund Capital programme allocation. This approach ensures that the organisation meets its core legal and statutory responsibilities while maintaining compliance with health and safety standards. This approach mitigates financial and reputational risks associated with non-compliance, supports the longevity and resilience of public assets, and underpins the delivery of essential services. By prioritising these obligations, the Council safeguards the well-being of residents, ensures the continued functionality of critical infrastructure, and demonstrates sound governance and accountability. This strategic focus provides a stable foundation for future investment and reinforces public confidence in the Council's ability to manage resources responsibly.

Driven by the Borough Vision 2035, the Council's capital investment ambition is to deliver sustainable, outcome-focused investments that create long-term value for our communities. This plan ensures investments are affordable, strategically aligned, and deliver measurable benefits. Schemes will be prioritised where they meet one or more of the Council's investment principles.

8. Capital Investment Plan

Driven by the Borough Vision 2035, the Council's capital investment ambition is to deliver sustainable, outcome-focused investments that create long-term value for our communities. This plan ensures investments are affordable, strategically aligned, and deliver measurable benefits. Schemes will be prioritised where they meet one or more of the Council's investment principles.

(i) Strategic Capital Planning

The Council adopts a long-term, strategic approach to capital planning to ensure investment ambitions are both resilient and adaptable to future challenges. This approach emphasises a focus on strategic outcomes and financial sustainability and includes the capacity for flexibility to respond to emerging opportunities.

This strategic outlook sets the direction for major investment programmes, including:

- Placemaking and housing development to drive inclusive economic growth
- Transformation of the schools' estate to meet future educational needs
- Estate decarbonisation to meet environmental commitments

These programmes are aligned with the Borough Vision 2035 and are subject to regular review to reflect changing priorities, policy developments, and external conditions.

This long-term outlook informs land and asset management decisions, supports early-stage feasibility assessments, and facilitates timely engagement with external funders and partners, ensuring the Council is investment-ready when opportunities arise.

The Capital Programme

The Capital Programme is key to delivering the Council's Vision. It is managed within the parameters of the Medium-Term Financial Strategy (MTFS) and monitored regularly including against prudential indicators to ensure financial sustainability. Affordability is challenged and therefore the Council is likely to need to reprofile or pause lower-priority schemes to protect statutory compliance and essential service delivery.

The programme is refreshed annually alongside the MTFS and TMSS to ensure continued alignment with strategic priorities, financial resilience, and changing economic conditions.

Capital Investment and Expenditure

Capital investments and expenditure describe the money spent by the Council to acquire, upgrade, or maintain long-term assets such as buildings, equipment, infrastructure, or technology to provide benefits over multiple years

For 2026/27, the Authority is planning significant capital investment, with further expenditure anticipated over the next five years, as summarised below:

	2026/27 budget	2027/28 budget	2028/29 budget	2029/30 budget	2030/31 budget	**2026/27-2030/31**
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
General Fund Capital budget	292.6	239.4	162.7	146.0	108.6	949.2
HRA Capital Investment	375.9	525.4	459.9	415.0	311.4	2,088
Total	**668.5**	**764.8**	**622.6**	**561.0**	**420.0**	**3,036.8**

The main General Fund capital projects include the High Road West Redevelopment programme, waste vehicles and bins project and primary school modifications and enhancements programme. The New Homes programme and capital investment in existing housing stock and are the largest costs to the HRA capital programme.

Service managers bid to include projects in the capital programme. Corporate finances are responsible for collating the bids and calculating the financing cost (which can be nil if the project is fully externally financed). Cabinet considers the proposals and then the final capital programme is presented to Full Council in March each year.

Capital Financing

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative).

The Council's funding hierarchy seeks to maximise external and ring-fenced resources first, and limit General Fund borrowing to what is demonstrably affordable:

(i) Capital grants and third-party contributions - including government, GLA and other funders

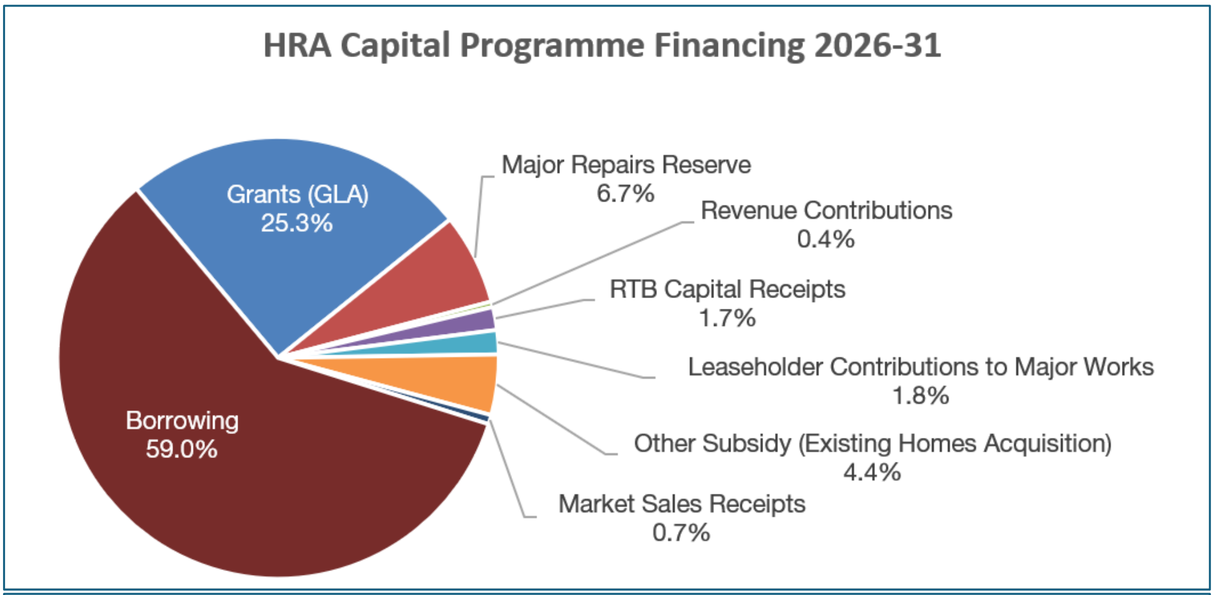
(ii) Ring fenced HRA resources - to sustain Council homes through building safety, planned works, retrofit and develop new homes

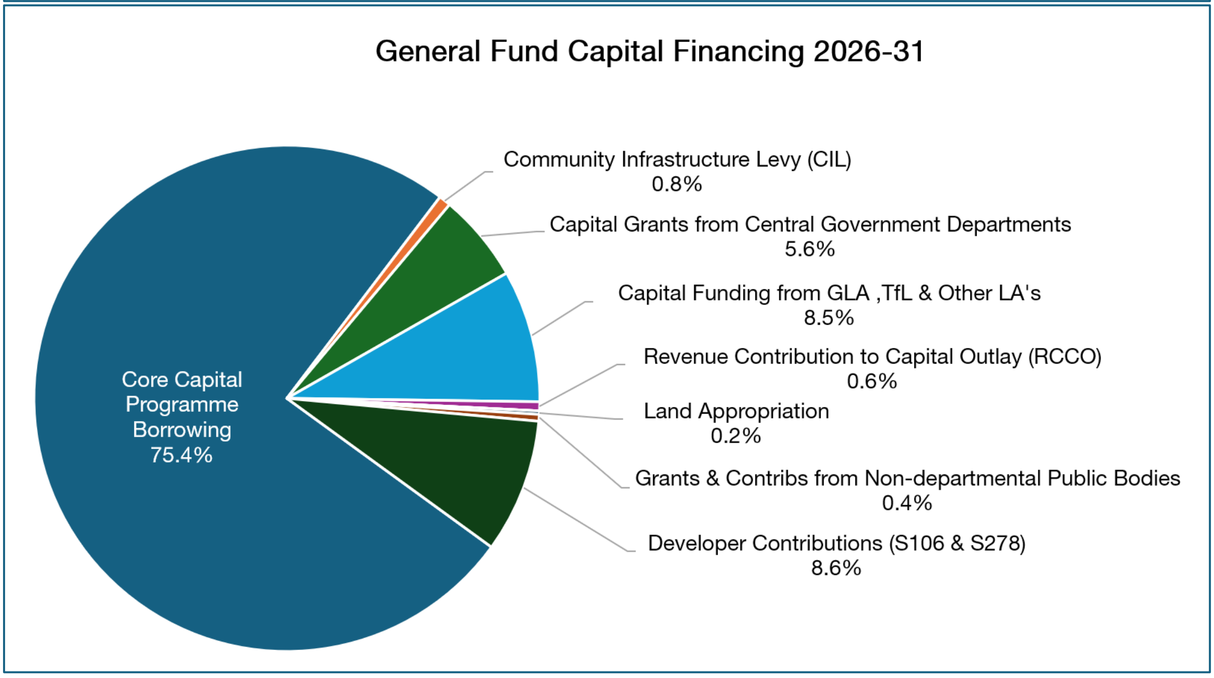
(iii) General Fund prudential borrowing – when affordable on a whole-life basis

(iv) Capital receipts from disposals to support priority reinvestment and reduce borrowing need.

(v) Other finance sources – where appropriate

Maximising the use of external funding is a key element of the Capital Strategy. Prioritising Projects with full or majority external funded grants (e.g., from the GLA, TfL, or central government) reduces the burden on the Council's own resources, improves value for money, and leverages additional investment into the borough. This approach strengthens financial resilience and to reduce the over-reliance on borrowing. These projects and programme often align with broader strategic goals set by regional and national bodies.





(ii) Financing the General Fund Capital Programme

In agreeing to a capital programme, the Council will need to ensure that the expenditure is affordable and that the revenue implications are factored into the Council's revenue budget. The chart above identifies the sources of funding and the amount of that funding that the Council is budgeting to use. There is a large amount of borrowing being undertaken to pay for the capital programme with 75.4% of the programme using borrowing to deliver schemes and next year's annual review will need to reduce the year on year increase in borrowing for capital investment and may require some re-prioritisation – particularly at a time when the Council is reliant of EFS and interest rates remain high .

The following paragraphs describe the sources of funding.

Grants - £133.8m and 14.1% of programme

Grants can come from a variety of sources such as Central Government, the Greater London Authority, Transport for London, Arts Council England and the National Lottery. Grants normally come with terms attached that require the grant receiver (the Council) to do certain things with the money. For instance, the Council received Levelling Up Funding (LUF) to support the Selby Urban Village project that will need to deliver certain outcomes.

Capital Contributions - £4.1m and 0.4% of programme

Capital contributions are contributions received for projects and provided by a variety of external agencies and private companies or individuals. The contributions will be given to support the achievement of outputs or outcomes that would otherwise not be created. Often, without the contribution, the Council may not undertake the scheme or scale it back to being affordable to the Council. Whilst small in comparison to other sources of funding, capital contributions can enable valuable outcomes that would otherwise not be delivered.

Community Infrastructure Levy - £7.3m and 0.8% of programme

The Community Infrastructure Level (CIL) is a charge levied on developers to fund infrastructure works that can fund the creation of new assets, the improvement/replacement of assets or other infrastructure to support growth and development. It is a statutory charge set in accordance with Government guidance. In certain circumstance there is a Mayor of London CIL charge that goes directly to the mayor. There are 3 components to the CIL charge.

The first is strategic CIL (SCIL) which can be used to fund the capital programme across the borough (not limited to a particular geographical location) and is a decision made by Cabinet as part of the budget setting process.

The second is Neighbourhood CIL (NCIL) that is spent in consultation with local people where the development was undertaken.

The third element of administrative CIL that be spent on the costs associated with administering the CIL programme.

S106 & S278 - £81.2m and 8.6% of programme

Established under section 106 of the Town & Country Planning Act 1990, S106 agreements are legally binding agreements between the Council and the developer. The purpose of a S106 agreement is to mitigate the impact of a development on the local community and infrastructure. A S106 agreement can be either capital or revenue. The are negotiated between the developer and the Council as the Planning Authority.

The highways Act 1980 created the S278 Agreement structure. This is a legally binding agreement between the developer and the Council as the Highways Authority. The agreement typically involves works to the Council's highways infrastructure to facilitate the development. It could involve putting in a new crossing to remodelling a junction. Normally the works are carried out by the Council with the developer paying.

Direct Revenue Financing - £5.5m – 0.6%

The Council can, if it chooses to, fund capital expenditure via its revenue budget. This can be through in year underspends or via general or earmarked revenue reserves. Any funding of the capital programme via revenue resources would have to be considered in light of the Council's overall revenue budget and the Medium-Term Financial Strategy.

Capital Receipts

Capital receipts are generated mainly from disposing of land and property; receiving repayments of capital loans/grants; and through right to buy sales. Capital receipts can be used to:

- Fund new capital expenditure;
- Repay debt; or
- Be used flexibly to pay for investment in transformational projects that reduce costs or improve services.

Borrowing - £715m and 75.4% of programme

Under the Local Government prudential framework, the Council is responsible for ensuring that its borrowing is affordable, prudent, and sustainable for the revenue budget over the life of the assets financed.

The Council aims to secure a low and predictable cost of finance while retaining flexibility to adapt to changing capital plans and market conditions. This is pursued through a balanced approach that combines:

- Short-term borrowing, which typically offers lower immediate costs but less certainty and higher refinancing and interest rate risk; and
- Long-term fixed rate borrowing, which provides cost certainty and stability at a generally higher rate.

The Council does not borrow primarily for financial gain. This safeguards continued access to the Public Works Loan Board (PWLB), whose loans are generally cheaper than those available from commercial lenders.

Borrowing may be internal or external:

- Internal borrowing is a temporary position where the Council uses its own cash balances instead of borrowing externally at that time. If not used for internal borrowing, these balances would be invested in line with the Treasury Management Strategy, earning investment income. The associated opportunity cost (foregone investment income) is reflected in the revenue consequences of the capital programme.
- External borrowing occurs when the Council borrows from the market (financial institutions and investors) or from the Government via the PWLB. New PWLB loans are priced at the applicable gilt yield plus 0.80% (the “certainty rate”) for eligible authorities.

The Council’s primary objective when borrowing externally is to achieve an appropriate balance between securing low interest costs and achieving cost certainty over the periods for which funds are required.

In November 2020 the PWLB released further guidance confirming local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the prudential code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield.

Although the capital programme may identify a need to borrow to fund capital expenditure, the timing and type of borrowing (internal/external) is dependent on cashflow modelling in line with the Council’s Treasury Management Strategy.

Treasury Management Strategy Statement (TMSS)

The TMSS sets out how the Council manages its cashflows, investments, and borrowing to ensure there are sufficient funds for spending needs. The Council must hold adequate but not excessive cash, invest surplus funds until required and borrow when necessary to avoid unnecessary overdrafts or idle balances. The TMSS is managed while controlling risk and achieving value for money.

Capital Financing Requirement (CFR)

The Council's total borrowing requirement based on capital expenditure incurred historically but yet to be financed is represented by the Capital Financing Requirement (CFR). Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term.

All capital financing costs, i.e. interest costs and minimum revenue provision must be treated as a revenue cost and built into the Council's budget plans. In essence, the more the Council borrows, the greater the call on the revenue budget which then requires further service savings to be identified to fund this in the longer term. It is important that borrowing is set at a level that it is both affordable and sustainable for the long-term revenue budget.

Minimum Revenue Provision (MRP)

MRP is applied where the Council must set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). It is budgeted for in the annual capital financing budget. MRP replaces other capital charges (e.g. depreciation) in the statement of accounts and has an impact on the Council's bottom line. MRP will increase and decrease throughout the programme and is sensitive to both expenditure and funding changes.

Revenue Reserves

In addition to the statutory minimum revenue provision outlined above, the Council also retains discretionary flexibility with earmarked reserves to fund aspects of the programme that may be revenue in nature, projects that are written off, or specific projects where this has a financial benefit to the revenue budget. Each year, capital expenditure is reviewed to ensure that any revenue elements of expenditure is written off to reserves in line with accounting regulations.

Section 25 of the Local Government Act 2003 requires the Council's Section 151 officer to report on the adequacy (or otherwise) of reserves and the robustness of estimates supporting the budget. The 2026/27 Section 25 Statement is included at Appendix 11 of the main budget report which is a separate report on the agenda.

Exceptional Financial Support (EFS)

EFS is incorporated into the Council's borrowing strategy as a capitalisation measure to maintain statutory budget compliance during periods of acute financial pressure. Under a Government capitalisation direction, certain revenue costs can be treated as capital expenditure, enabling essential service delivery to be funded through borrowing or capital receipts.

While EFS provides temporary relief, it increases the future debt servicing costs. It must comply with statutory MRP guidance to ensure affordability and sustainability. EFS is not a substitute for structural budget sustainability and is treated strictly as a short-term solution. Further detail of the action taken by the Council is set out in the main budget report as a separate agenda item.

Prudential Indicators

The Council manages capital financing in line with the CIPFA Prudential Code, ensuring borrowing and investment decisions remain affordable, sustainable, and prudent. The prudential indicators, set annually in the Treasury Management Strategy Statement (TMSS) provide a transparent framework for monitoring key measures that reflect the overall health of the Council's capital finances, supporting sound financial management and accountability.

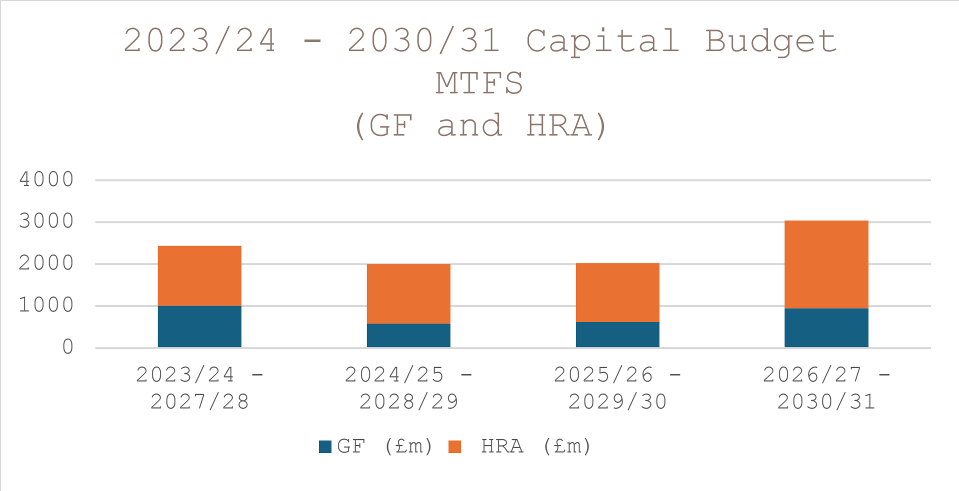
This process ensures compliance with statutory guidance, supports effective financial planning, and provides assurance to members, stakeholders, and the public that resources are managed responsibly.

9. Risk management and assessment

Effective risk management is central to delivering the Council's Capital Strategy in a financially sustainable and controlled manner. The Council recognises that its capital programme operates within a complex environment, subject to financial, delivery, legislative, and market risks. These risks, if unmanaged, could impact affordability, delay critical projects, and compromise statutory compliance. To address this, the Council adopts a structured approach to risk identification, assessment, and mitigation, underpinned by the principles of prudence, transparency, and robust governance.

Haringey is under significant financial pressure, with a forecast overspend of around £23 million in 2025/26, primarily driven by rising demand in adult social care and temporary accommodation. This is after the £37 million secured in Exceptional Financial Support from central government for balancing the budget agreed in March 2025 and enable the use of capitalisation to offset revenue shortfalls. While this measure provides short-term relief, it introduces a repayment obligation that will increase pressure on future revenue budgets, making it an unsustainable long-term solution.

This financial context necessitates a cautious approach to capital investment, with a strong focus on financial resilience and statutory service delivery. Given the current position, the Council's risk appetite is low, meaning there is minimal tolerance for additional borrowing beyond what is essential for statutory services and safety-critical infrastructure. Borrowing must therefore remain tightly controlled and within prudential limits.



Haringey Council will adopt a low-risk appetite within its capital strategy to safeguard financial resilience and ensure prudent investment decisions. This approach includes limiting additional borrowing and avoiding capital investments that expose the authority to market volatility, with strict adherence to the Prudential Code and Treasury Management principles.

Strategically, the Council will prioritise projects and programmes that demonstrably reduce long-term revenue pressures, while maximising opportunities to secure external funding or guaranteed savings. This includes targeted investment in housing to reduce temporary accommodation costs and in energy efficiency schemes to lower high utility expenses. Wherever possible, grant funding will replace capital borrowing, creating capacity for investment in projects that deliver on the Council's strategic objectives and strengthen financial resilience.

For delivery risk, the Council will accept a moderate level of risk where innovative models offer clear benefits, provided risks are shared, capped, and supported by robust business cases with stress-tested assumptions and contingency plans. This approach must be underpinned by rigorous due diligence and strong commercial expertise to safeguard the Council's interests.

The Capital Delivery Framework strengthens governance by embedding transparent decision-making through a structured business case model, applied consistently across both the General Fund and the Housing Revenue Account. This approach ensures that all capital investment proposals are subject to rigorous appraisal and approval processes. The tiered governance structure enhances risk monitoring and escalation, providing clear accountability and enabling timely intervention. This framework ensures that risk-taking remains controlled, proportionate, and aligned with the Council's financial sustainability objectives.

The Council's Risk Management Framework sets out the financial and strategic risks that influence the Capital Strategy. The following assessment summarises the key risks to the delivery and affordability of the programme, along with the measures in place to mitigate them:

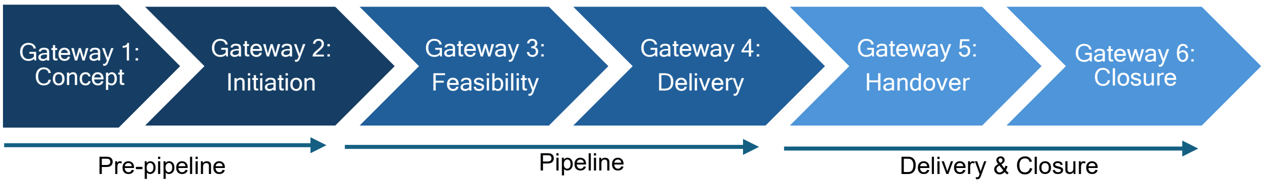
Risk	Description, Impact & Mitigation
Interest Rate	The Council's capital programme relies heavily on borrowing, which exposes it to interest rate fluctuations. An increase of 1% could potentially render the programme unaffordable. Mitigation includes prudent interest assumptions, regular treasury reviews, and use of fixed-rate borrowing where appropriate.
Inflation	Capital delivery costs are vulnerable to inflation, particularly in construction and materials. Mitigation includes early cost benchmarking, contingency allowances, and contractual mechanisms such as fixed-price or indexed contracts.
Capital Receipts	The programme depends on timely asset disposals to generate receipts. Mitigation includes conservative forecasting, maintaining a disposal pipeline, and fallback funding strategies.
Delivery Capacity	Insufficient internal capacity or expertise could delay projects and increase costs. Mitigation includes investing in project and programme management capability, using external support where necessary, and applying robust stage-gate processes.
Grant and External Funding	Many projects rely on external funding streams such as grants. Mitigation includes proactive bid management, compliance monitoring, and prioritising grant-funded schemes to reduce borrowing exposure.
Construction Delays	Risks such as contractor insolvency or supply chain disruption can lead to programme delays and cost escalation. Mitigation includes rigorous contractor due diligence during procurement stage, risk-sharing contract forms (e.g., NEC), contingency allowances, and regular progress monitoring with escalation protocols.
Legislation and Policy	Changes in legislation (e.g., building safety, environmental standards) or national policy could require design changes or additional compliance costs. Mitigation includes horizon scanning, early compliance planning, and maintaining flexibility in design specifications.
Central Government Funding	Shifts in government priorities or funding allocations could reduce grant availability or impose new conditions that impact the viability of projects. Mitigation includes active engagement with government bodies, lobbying through sector networks, and maintaining a pipeline of alternative funding sources.
Financial Sustainability of the Council	High borrowing and capitalisation of revenue costs increase long-term financial pressure. Mitigation includes maintaining a low risk appetite, strict adherence to prudential indicators, and prioritising schemes that deliver revenue savings or external funding.

10. Capital planning process

The Council's capital planning process provides a structured approach to translating strategic priorities into deliverable programmes and projects. Supported by the Capital Delivery Framework, it provides a robust structure for managing complex programmes and projects, ensuring that strategic initiatives are aligned with the Council's long-term vision, are financially sustainable, and are delivered effectively.

(i) Capital Delivery Framework

The Capital Delivery Framework outlines a structured lifecycle for the development and delivery of capital projects and programmes—from initial business case formulation through to implementation and closure. It incorporates HM Treasury's Green Book Five Case Model across Gateways 1 to 3, integrating best practice from PRINCE2Agile methodologies to assess project deliverability.



The framework also embeds CIPFA principles to ensure that all investment decisions are strategically aligned, financially sustainable, and focused on delivering measurable outcomes.

Capital Programme: Pre-Pipeline

Gateway 1 — Project Concept (Statement of Need)

The Statement of Need initiates early-stage exploration of the project idea and its alignment with Council priorities. This stage focuses on high-level scoping, initial stakeholder engagement, and consideration of potential funding approaches. Approval at this gateway confirms endorsement by the relevant Corporate Director, acting as project sponsor, and authorises progression to develop the Outline Business Case (OBC).

Gateway 2 — Project Initiation (Outline Business Case)

The Outline Business Case (OBC) confirms the strategic need for the project and its alignment with Council priorities. At this stage, a long list of options is assessed and refined into a short list for detailed feasibility and viability testing at the next gateway. Approval at this gateway confirms the project's entry into the Capital Programme pipeline as a potential capital investment opportunity.

Capital Programme: Pipeline

Gateway 3 — Project Feasibility (Initial Business Case)

The Initial Business Case (IBC) builds on the OBC to assess feasibility and appraise the viability of the short-listed options. This stage involves a structured evaluation of benefits, risks, and strategic fit, leading to a recommendation of the preferred option for progression. Approval at this gateway secures resources to develop the Full Business Case (FBC).

Gateway 4 — Enabling Project Delivery (Full Business Case)

The Full Business Case (FBC) authorises capital investment and project delivery. This stage finalises the delivery model, procurement strategy, and funding arrangements, supported by detailed financial modelling and impact assessments. Approval at this gateway permits capital expenditure in line with the Council's scheme of delegations and confirms readiness for procurement and implementation.

Capital Programme: Delivery and completion

Projects progressing between Gateway 5 and Gateway 6 are performance-monitored through highlight reports and programme dashboards. During this phase, formal change control processes are applied to manage and document any deviations from the approved Full Business Case at Gateway 4.

Gateway 5 – Project Closure and Handover

Confirms the formal closure of the project, including verification of final costs, delivery of agreed outputs, and transition to business-as-usual operations. This stage ensures that all contractual and operational obligations have been met.

Gateway 6 – Benefits Realisation and Learning

This stage consolidates organisational learning by capturing lessons learned, evaluating benefit realisation, and demonstrating the social value delivered. Insights from this gateway inform future investment decisions and strengthen organisational capability.

By adopting this framework, the Council secures a range of strategic and operational benefits, including:

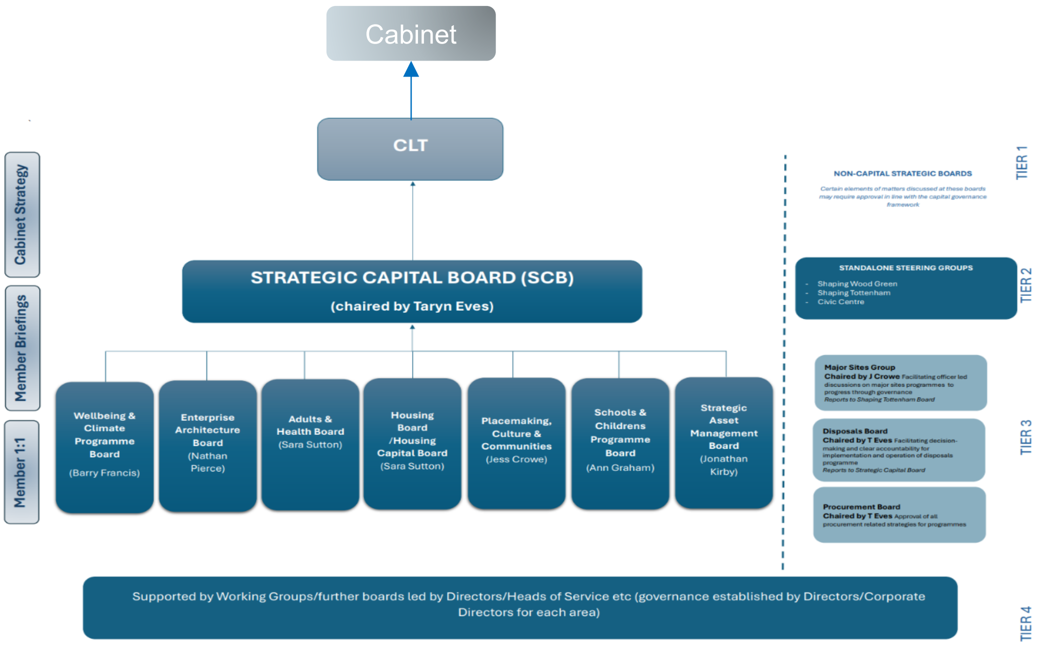
- Strategic Alignment – by ensuring resources are directed toward priorities that deliver maximum value for residents and the borough. This process is underpinned by up-to-date supporting strategies and plans, particularly the SAMPIP and departmental asset plans. The strategic alignment ensures that capital investment supports service delivery, lifecycle management, and financial efficiency.
- Prudent Financial Management - The framework ensures that proposals can be contained within the Capital programme, enabling affordability and sustainability checks at key decision points. This approach ensures that capital investment remains within prudent borrowing limits and contributes to long-term financial resilience.
- Risk Management and Due Diligence - Structured gateway reviews integrate risk identification, mitigation planning, and equality impact assessments early in the process. This proactive approach reduces delivery risk and strengthens governance assurance.

- Prioritisation and Evidence-Based Decisions - The iterative development of the five-case business case, aligned with HM Treasury's Green Book, ensures that projects are assessed for strategic fit, financial viability, and social value before approval. This enables transparent prioritisation of investment opportunities.

The framework ensures that every stage of the process reinforces alignment with the Capital Strategy, Corporate Plan, and Medium-Term Financial Strategy (MTFS). By aligning borrowing and investment decisions with risk appetite and cash flow management, the Council safeguards long-term financial resilience.

(ii) Capital Governance

The Framework Governance Model ensures strategic alignment, transparent decision-making, and effective risk management throughout the capital project lifecycle. It defines clear roles and responsibilities and ensures decisions are made at the appropriate level, embedding CIPFA's principles of accountability and sustainability.



Strategic Capital Board - Holds strategic oversight of the entire Capital Programme, ensuring that all investment decisions are aligned with corporate priorities, the Capital Strategy, and the MTFS. The Board plays a critical role in upholding prudent budget management, assessing affordability and sustainability in line with the Prudential Code. It also manages cross-cutting risks and escalations, ensuring resources are allocated effectively to deliver long-term value.

Directorate Capital Assurance Boards - Provide operational oversight of directorate-level capital programmes, ensuring projects remain strategically aligned during development and delivery. They act as a key link between operational delivery and corporate priorities, escalating issues where strategic intervention is required.

Programme Management Office (PMO) - Delivers assurance across the capital portfolio, supports governance boards, and implements tools and templates for effective project management and transparent reporting. The PMO ensures that performance monitoring and reporting reinforce strategic alignment and financial stewardship.

This tiered governance structure ensures that strategic priorities flow through every level of decision-making, maintaining alignment with the Council's long-term vision and statutory obligations.

(iii) Capital Programme Monitoring

Between Gateways three and four, strategic projects and programmes are subject to monitoring through Programme reporting to Strategic Capital Board and Directorate Capital Assurance Boards, led by Directors and quality assured by the PMO. This process is aligned with quarterly capital reporting and reporting against corporate delivery plan objectives, ensuring accountability at the highest levels, consistent oversight, and transparency across the programme.

To maintain transparency and provide comprehensive oversight, programme reports include the following core components:

Programme reports include:

- Strategic Alignment: Overview of the capital programme and its contribution to corporate priorities and the Capital Strategy.
- Performance Monitoring: Progress against key milestones, deliverables, and benefits realisation targets.
- Financial Position: Detailed spend profile, forecast, variances, and implications for the MTFS and Prudential Indicators.
- Risk & Issue Management: Escalated risks with mitigations, trend analysis, and governance actions.
- Change Control: Requests with financial and strategic impact assessment.
- Benefits Tracking: Evidence of intended outcomes, including quantitative and qualitative measures, supported by trend analysis and corrective actions where required.

(iv) Benefits Realisation

Gateways 5 (Closure and Handover) and 6 (Benefits Realisation) confirm the achievement of outputs, benefits, and outcomes from a capital investment project or programme.

- Outputs include tangible deliverables such as new housing, modernised public assets, and improved parks and green spaces.

- Outcomes capture the strategic impacts of investment, including inclusive economic growth, climate resilience, and enhanced quality of life for residents.

Each investment is assessed for social value, financial sustainability, and its contribution to the borough's long-term ambitions, defining outcomes in terms of sustainable economic, social, and environmental benefits.

Gateways 5 and 6 are critical to demonstrating that investments achieve planned outputs and deliver sustainable outcomes aligned with strategic priorities, financial prudence, and long-term resilience. By linking benefits realisation to governance and reporting, these gateways provide assurance that capital resources are used effectively, risks are managed, and the borough's ambitions for inclusive growth and environmental sustainability are fully realised.

The capital planning process fully articulates the benefits, outputs, and outcomes of the Capital Programme and ensures investment decisions are transparent and well-governed. It is delivered through a whole-organisation approach, aligning the approved programme with the MTFS and TMSS to maintain long-term affordability and financial sustainability.

Delivery assurance is embedded through robust programme governance, risk management, and formal change control, supported by post-project evaluation and benefits realisation to evidence outcomes and inform future investment decisions. Outputs from the programme include new housing, modernised public assets, enhanced transport connectivity, and improved parks and green spaces. Outcomes focus on inclusive economic growth, climate resilience, and improved quality of life for residents. Measuring these through structured benefits realisation ensures every investment delivers measurable social value and supports the borough's long-term ambitions.

The planning process is guided by the Council's long-term vision and the principles set out in this Capital Strategy, ensuring that all investment decisions are aligned with corporate objectives, statutory obligations, and community outcomes.

11. Governance

Governance is central to the successful delivery and monitoring of the Capital Strategy and Programme. It provides the structure for accountability, transparency, and informed decision-making, ensuring investments align with organisational priorities and deliver long-term value. Through defined roles, robust oversight, and structured reporting, governance mitigates risk and drives effective performance management. This disciplined approach safeguards financial resources and builds stakeholder confidence in the integrity and sustainability of the capital programme.

The CIPFA Treasury Management Code of Practice and Prudential Code require local authorities to ensure that capital investment plans are affordable, prudent, and sustainable over the medium to long term. In line with these principles, the Council undertakes an annual review of its key financial strategies—including the Treasury Management Strategy (TMS), Medium-Term Financial Strategy (MTFS), and HRA Business Plan—as part of the budget-setting process. It is therefore appropriate for the Capital Strategy to be refreshed alongside this process and approved by Cabinet and full Council to ensure continued alignment with strategic objectives and prudential indicators.

From the strategy, the Capital Programme baseline and forecast is established, determining the Council's long-term investment priorities, funding strategy, and capacity to deliver projects that support corporate objectives. Cabinet provides political leadership and prioritisation of investment decisions based on the updated financial strategies. The Programme provides a framework ensuring that capital expenditure is sustainable and integrated with the MTFS and Treasury Management principles.

Directorates are accountable for delivering projects and programmes within agreed budgets and timelines. This is supported by monthly portfolio oversight and programme dashboards, which track progress against milestones, budget forecasts, and output delivery.

The PMO provides a single view of the Council's capital investment portfolio through quarterly delivery and assurance monitoring, enabling rephasing and reprioritisation in response to external funding changes and delivery performance. Adjustments are formally reported through capital monitoring processes to maintain transparency and accountability. Capital Assurance Boards oversee governance, risk management, and benefit realisation, providing challenge and assurance to maintain alignment with strategic objectives. This structure informs and enables timely interventions, and supports proactive risk and benefit management, ensuring anticipated outcomes are achieved.

At year-end, the Council reports the final financial and delivery position of the Capital Programme to Cabinet, providing strategic oversight and linking capital performance to the MTFS and corporate objectives. This enables informed decisions on future investment priorities, resource allocation, and risk management, supporting the Council's commitment to financial sustainability.

Finally, an Annual Portfolio Impact and Return on Investment Report provides a comprehensive assessment of how the capital programme delivers against corporate objectives and community outcomes. It evidences strategic alignment and quantifies financial and non-financial benefits, demonstrating value for money alongside measurable outcomes such as social value and sustainability. This insight informs prioritisation for the following financial year.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar

Portfolio baselining forecast and revision												
Portfolio delivery & assurance monitoring												
Portfolio oversight & programme dashboard monitoring (monthly)												
Capital Strategy review & refresh												
Portfolio out-turn finalised												
Portfolio impact monitoring & ROI reporting												

12. Conclusion

This Capital Strategy recognises that investment is more than the creation of physical assets—it is a strategic lever to deliver inclusive growth, tackle inequality, and build resilience for the future. By prioritising statutory compliance, safeguarding essential services, and aligning every decision with the Borough Vision 2035, we ensure that capital investment delivers measurable social, economic, and environmental benefits.

Our disciplined approach—underpinned by strong governance, rigorous financial appraisal, and annual review—provides the flexibility to respond to changing conditions while maintaining affordability and prudence. Through this framework, we will maximise external funding, reduce reliance on borrowing, and embed sustainability and social value into every stage of delivery.

13. Glossary

Key Terms	Definition
Capital	Funds used for long-term investment in assets such as buildings, infrastructure, and equipment. Capital spending creates or improves assets that deliver services over many years
Capital Delivery Framework	The Council's structured approach to managing capital projects through defined stages (pre-pipeline, pipeline, delivery, closure) and governance processes.
CIPFA	Chartered Institute of Public Finance and Accountancy - A UK-based professional body that sets standards and provides guidance on financial management, governance, and auditing within public finance.

Corporate Delivery Plan (CDP)	A medium-term plan that translates the Council's vision into actionable priorities, guiding service planning and capital investment decisions.
Exceptional Financial Support	Financial assistance, through Capital borrowing, provided by central government to help a local authority manage severe financial pressures. It is granted under strict conditions and requires repayment, with interest.
Financial Sustainability	Ensuring spending is affordable, funded by income or borrowing, in alignment with the Medium-Term Financial Strategy and Prudential Indicators.
Five-Case Model	A business case methodology recommended by HM Treasury, comprising five dimensions: Strategic, Economic, Commercial, Financial, and Management cases.
General Fund	The main account for a local authority's day-to-day spending on services (excluding the HRA). It includes revenue expenditure funded by council tax, business rates, and grants and capital investment funding through borrowing, grant and income from external sources.
Housing Revenue Account	A ring-fenced account for income and expenditure related to council housing. It includes rents, repairs, housing development and investment. It is separate from the General Fund.
Medium Term Financial Strategy (MTFS)	A financial plan that sets out expected income, expenditure, and savings over a 5-year period. It helps ensure sustainability and informs decisions on capital and revenue budgets.
Minimum revenue provision (MRP)	A statutory requirement for local authorities to set aside revenue each year to repay borrowing undertaken for capital expenditure. It ensures debt is repaid over the life of the asset.
Prudential Code	A professional code issued by CIPFA that sets out principles and indicators to ensure local authority capital investment plans are affordable, prudent, and sustainable.
Prudential Financing	The ability of a local authority to fund capital expenditure without requiring central government approval, provided it can demonstrate that the costs are affordable and can be met from existing or planned resources over the medium term.
Prudential Indicators	Quantitative measures required under the Prudential Code to monitor affordability, sustainability, and prudence of capital investment and borrowing decisions. Examples include CFR, debt ratios, and financing cost ratios.
Revenue	Income and expenditure related to the ongoing delivery of services (e.g., staff costs, utilities). Unlike capital, revenue spending does not create long-term assets.

Social Value	Contribution to community well-being and equality objectives.
Strategic Fit	Support for borough-wide ambitions and long-term capital priorities.