

<b>Meeting</b>	<b>CABINET/COUNCIL</b>
<b>Portfolio Area</b>	Resources and Performance
<b>Date</b>	<b>11 February 2026 / 25 February 2026</b>



## FINAL GENERAL FUND CAPITAL STRATEGY 2025/26-2029/30

### KEY DECISION

<b>Authors</b>	Rhona Bellis
<b>Contributors</b>	Senior Leadership Team
<b>Lead Officers</b>	Atif Iqbal
<b>Contact Officer</b>	Clare Fletcher

### 1. PURPOSE

- 1.1 To approve revisions to the 2025/26 Capital Programme and Strategy and approve the 2026/27 Capital Programme.
- 1.2. To provide Members with an update on the Council's Five-Year Capital Strategy and the resources available to fund the Capital Strategy.
- 1.3. To provide Members with an update on the Council's investment strategy as required by the updated prudential code.
- 1.4. To set out the Council's approach to funding its key priorities.
- 1.5. To update Members on the work of the Council's Financial Security Group (CFSG) in reviewing all General Fund capital bids prior to inclusion in the final 2026/27 Capital Strategy and comments from the Overview and Scrutiny Committee.

### 2. RECOMMENDATIONS

That the following proposals be recommended to Council on 25 February 2025:

- 2.1. Final General Fund growth bids identified for inclusion in the Capital Strategy (section 4.2, and Appendix A to the report) be approved totalling £7.9Million for 2026/27-2028/29.

- 2.2. Final General Fund Capital Budget for 2025/26 to 2029/30 of £118Million, as set out in Appendix B to the report be approved.
- 2.3. Forecast of and approach to resourcing the General Fund capital programme as outlined in the report (Paragraph 4.4) be approved.
- 2.4. The revenue contribution to capital, 2026/27 to 2028/29 as set out in table 4, paragraph 4.3.4 be approved of £4.6Million to fund the capital programme.
- 2.5. That the proposed use of Community Infrastructure Levy (CIL), and Biodiversity Net Gain (BNG) contributions of £225k as set out in section 4.6 be approved.
- 2.6. The approved revenue surplus in any year of up to £500K that can be allocated to the capital reserve to support capital expenditure be noted.
- 2.7. That the comments from Council Financial Security Group and Overview and Scrutiny as set out in section 4.11 are noted.
- 2.8. To note the legal implications of Section 24 of the Local Government and Public Involvement in Health Act 2007 in relation to financial decisions (capital) made by a council that is due to be abolished or reorganised in section 5.2.

### **3. BACKGROUND**

#### **3.1. Introduction**

- 3.1.1. This report is an update on the Council's Draft Capital Strategy 2025/26-2029/30 presented to the January 2026 Cabinet meeting. Changes since that meeting can be found in section 4.2.8.
- 3.1.2. The purpose of the Capital Strategy is to outline how the Council determines its priorities for capital investment and how much it can afford to borrow as well as setting out any associated risks. The Council's Financial Security Group (CFSG) and the Senior Leadership Team reviewed the capital bids for 2026/27 onwards contained within the Capital Strategy in November 2025 /January 2026 and the results of that review are included in this report.
- 3.1.3. The framework the government uses to control how much Councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with long-term objectives and take account of stewardship, value for money, prudence, sustainability, and affordability.
- 3.1.4. The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.
- 3.1.5. The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financing implications and potential risks to the authority.
- 3.1.6. The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital, and balance sheet planning. It provides

a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for developing proposals, approval, and monitoring of capital expenditure.

3.1.7. The Capital Strategy specifically excludes investments that are entered into under Treasury Management powers; these are covered in the Treasury Management Strategy. The Treasury Management Strategy also includes the policy for borrowing to finance capital expenditure.

### **General Fund Investment Strategy**

3.2.1 For a number of years capital spend has been significantly prioritised due to the limited availability of capital receipts and the Council's ability to afford borrowing costs. Accordingly, the Council has applied a 'fix on fail' approach to assets with no significant asset improvements being funded, with the exception of those supported through external funding or partially through external funding. This approach cannot be sustained in the medium to long term as it will lead to a gradual degradation of the Council's assets with reactive works only being undertaken to keep sites wind and watertight. Sustaining such an approach in the medium term will inevitably lead to close of buildings even before consideration is given to the legal requirements in terms of Energy Performance Certificate (EPC's) and other legal and climate change requirements.

3.2.2 To address the issues above, The General Fund Capital Strategy Overview - Priorities versus Funding Requirement 2023/24-2029/30 report to Executive 15 November 2023 set out the Council's key capital regeneration and community asset ambitions and key land and asset disposals, to determine a funding strategy to meet corporate objectives and address the issues outlined above.

3.2.3 The following priority schemes / activities required a funding strategy:

- Regeneration SG1- Public Sector Hub, Leisure Centre, and Theatre
- Climate Change - green fleet, buildings (operational, community and commercial)
- Towns fund programme where match funding is required
- Operational need investment in Community Assets
- Response to Legislative changes e.g. waste and recycling
- Protection of key income streams to ensure the financial resilience of the General Fund

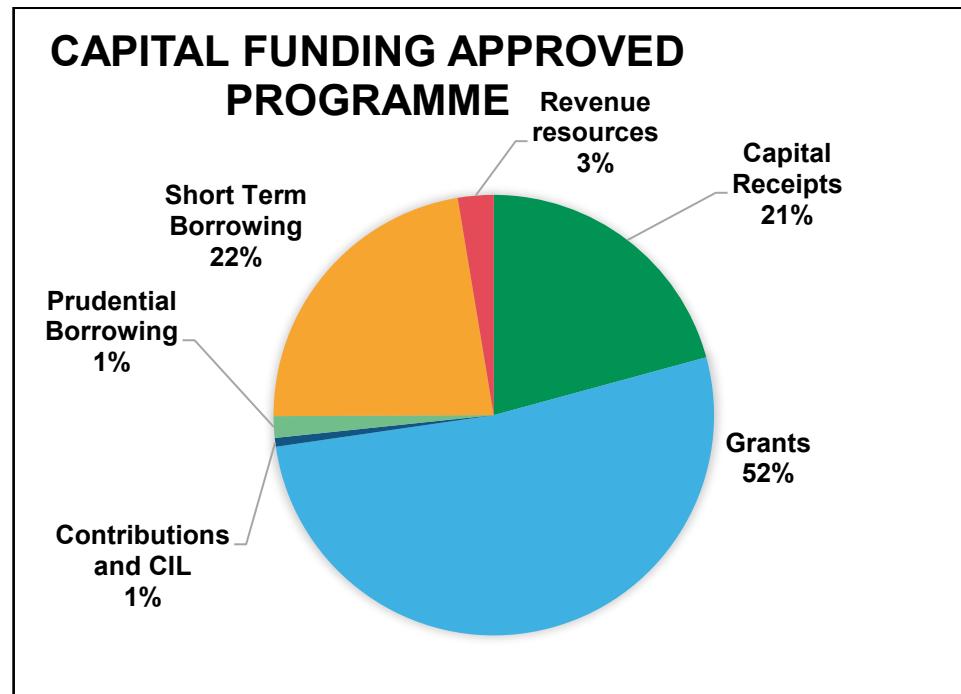
3.2.4 The high-level assessment in the November 2023 report of the potential value of capital receipts that could be realised by SBC is £44Million which is significantly less than the cost of investment needed of £127Million. This means that even if all approved receipts were delivered there will still be a requirement to find alternative funding strategies or third-party funding to meet the gap. The total high level investment requirement and total receipt realisation are currently

excluded from the Capital Strategy but will come forward in future reiterations of the programme as projects and funding are approved.

3.2.5 The current limited funding available compared to the identified current need means (prior to funding recommended in the Final 2026/27 General Fund budget) that in the main priority schemes will need to provide a significant element of self-funding through providing land development opportunities and the bids included for approval are in the main to maintain operational efficiency.

3.2.6 The current years capital programme (approved February 2025 and as subsequently amended through the quarterly monitoring and supplementary reports), is fully funded, and shown in the chart below which reflects the quarter two monitoring report to the November 2025 Cabinet.

- Grants includes £19.2Million Towns Fund Grant from an overall allocation of £37.5Million which is fully allocated to specific regeneration projects. Funding is received in stages as relevant projects proceed.
- Short term borrowing is used to bridge funding gaps and is generally “repaid” from capital receipts in the following years.
- Prudential Borrowing remains an option to fund capital schemes. Due to the on-going net cost to the General Fund, any such proposal requires a business case to be completed to determine affordability and benefit to the Council. This approach may be used to fund income generating schemes which support the Councils Priorities.



### **3.3 Budget and Policy Framework**

3.3.1 The process for approving capital budgets is set out in the Budget and Policy Framework in the Constitution. This includes a consultation period, and the timescale required to implement this is outlined below:

<b>Table 1 Date</b>	<b>Meeting</b>	<b>Report</b>
Jan-26	Cabinet	Draft 2025/26 – 2029/30 Capital Strategy (GF)
	Overview and Scrutiny	Draft 2025/26 – 2029/30 Capital Strategy (GF)
Feb-26	Cabinet	Final 2025/26 – 2029/30 Capital Strategy (GF)
	Overview and Scrutiny	Final 2025/26 – 2029/30 Capital Strategy (GF)
Feb-26	Special Council	Final 2025/26 – 2029/30 Capital Strategy (GF)

## **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

### **4.1 Capital Programme – General Fund**

4.1.1. The financial pressures as set out section three of this report resulted in only the most urgent bids or those supporting the delivery of a top priority being included in the list of capital growth for consideration by members.

4.1.2. Budgets in the Capital Strategy are reviewed quarterly to ensure that they remain relevant and deliverable. No significant changes to the phasing of the existing Capital Strategy presented to members in the Draft Capital Strategy 2025/26-2029/30 report are expected at the time of drafting this report.

### **4.2 Proposed Capital Bids from 2026/27**

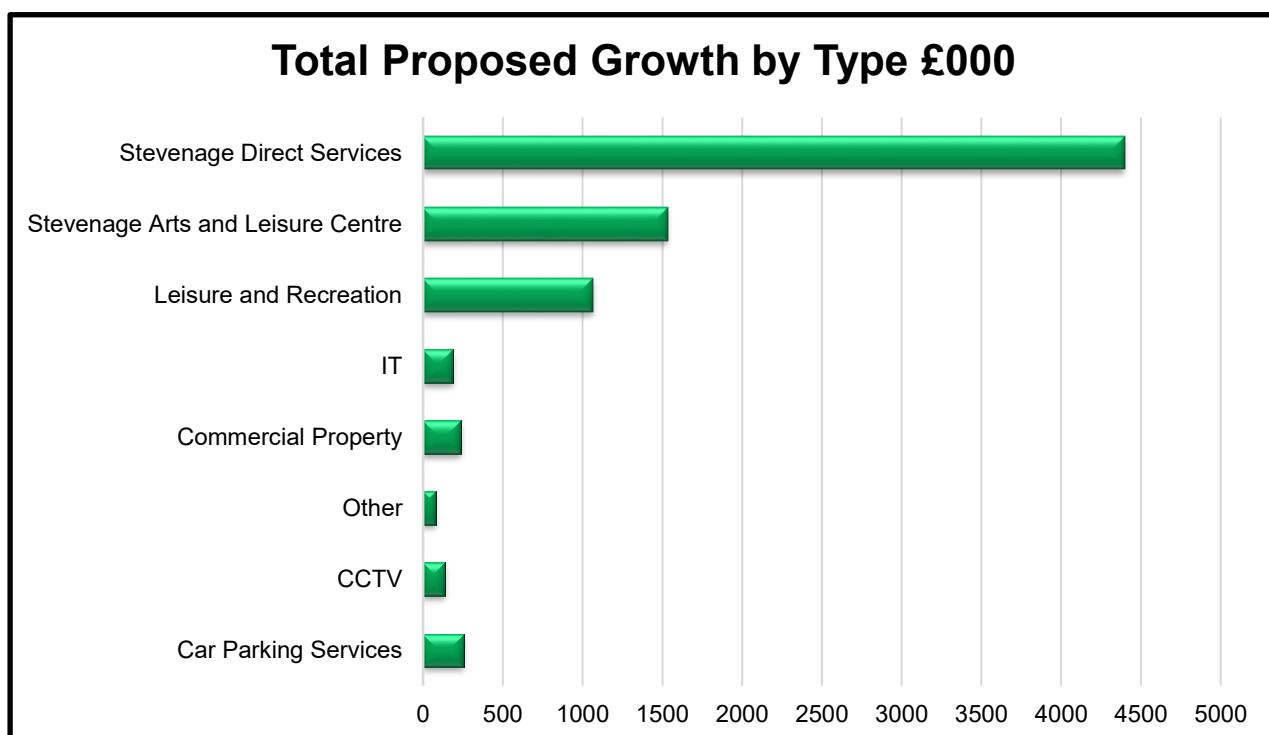
The proposed capital growth bids received and recommended for inclusion in the Capital Strategy (reviewed by Council's Financial Security Group (CFSG)) and as prioritised by the Council's Senior Leadership (SLT), are summarised in the table below and are detailed in Appendix A. These bids totalled £7Million for 2026/27, 2027/28 and 2028/29. Late, fully funded bids added after the consultation amounted to £910k (see section 4.2.7). The revised total bid value is £7.9Million.

4.2.1. The table below shows the proposed growth by priority and the proposed funding. the detail of the individual bids are summarised in Appendix A.

**Table 2 Proposed General Fund Growth 2026/27 – 2028/29 £000**

		26/27	27/28	28/29	Total
Priority 1	Financial Return	135	1,010	0	1,145
Priority 3	Mandatory requirements (including Health & Safety)	60	525	25	610
Priority 4	Schemes to maintain operational efficiency	3,705	783	1,009	5,497
	Deferred works reserve	400	250	0	650
<b>Total Proposed Capital Growth Bids</b>		<b>4,300</b>	<b>2,568</b>	<b>1,034</b>	<b>7,902</b>
<b>Funding Proposal</b>					
General Capital Receipts		1,615	1,348	14	2,977
Revenue contributions		1,200	1,200	1,200	3,600
EPR Funding		1,185	0	0	1,185
CIL/BNG		260	0	0	260
Match Funding Contributions		40	20	20	80
<b>Total Funding Available</b>		<b>4,300</b>	<b>2,568</b>	<b>1,234</b>	<b>8,102</b>

4.2.2. The proposed growth can be split into eight types as illustrated in the graph below.



4.2.3. As a result of the positive impact on the Council of the Fair Funding review (Balancing the Budget - Cabinet November 2025 and the General Fund and Council Tax Setting 2026/27 – on this agenda), the Council has benefited from the revised system of government funding.

4.2.4. This has enabled a potential proposed significant increase in investment in the Councils' assets for 2026/27 and future years, which has not been possible for many years and if approved will help ensure the operational viability and future of a number of significant local assets for the town.

4.2.5. These investments include:

- £2.5Million for fleet replacements for waste and recycling collection and maintenance of the Council's parks and open spaces.
- £535k for Stevenage Arts and Leisure Centre (SLAC) to improve customers and performers experience – new carpets, lighting, and sound systems
- £1Million to re-purpose the sports hall at SALC – creating a new space able to host higher profile events.
- £500k replacement of the track at Ridlins to ensure it retains county status.
- £490k investment in new play equipment, shrub bed improvements, and other green space infrastructure
- £225k for environmental improvements (CIL/BNG)

4.2.6. Included in the proposed bids is a £650k increase in the deferred works reserve budget for the period 2026/27 and 2027/28 to fund works arising from asset condition surveys and to add capacity to the capital program in case any deferred bids become urgent.

4.2.7. Total funding identified for future years capital growth amounted to £8.1Million. The proposed bids for consideration above amount to £7.9Million. The modest surplus funding identified could be used to fund bids that have not been put forward for approval and remain unfunded – see Appendix C, in addition further bids may also be required in the future arising from stock condition surveys.

4.2.8. **Changes since the Draft Capital Strategy Report**

4.2.9. Additional s106 contributions received in 2025/26 have now been allocated to the Stevenage Sports & Leisure Club project funding, allowing at this stage the balance of borrowing (£6Million) needed to be reduced by £580k.

4.2.10. Proposals for use of the 2026/27 EPR (Extended Producer Responsibility) funding included in the Council tax and General Fund report (elsewhere in this agenda), include the £500k funding for freighters, replacement bins and waste related infrastructure improvements amounting to an additional £685k. These have been added to the growth bids in Appendix A as fully funded (EPR) growth bids for 2026/27.

4.2.11. Proposed use of Community Infrastructure Levy (CIL), and Biodiversity Net Gain (BNG) contributions of £255k (see section 4.6.2) have been added to the growth bids to enable delivery of projects aligned with the Council's Climate

Action Plan, Green Space Strategy, Woodlands Strategy and Biodiversity Action Plan.

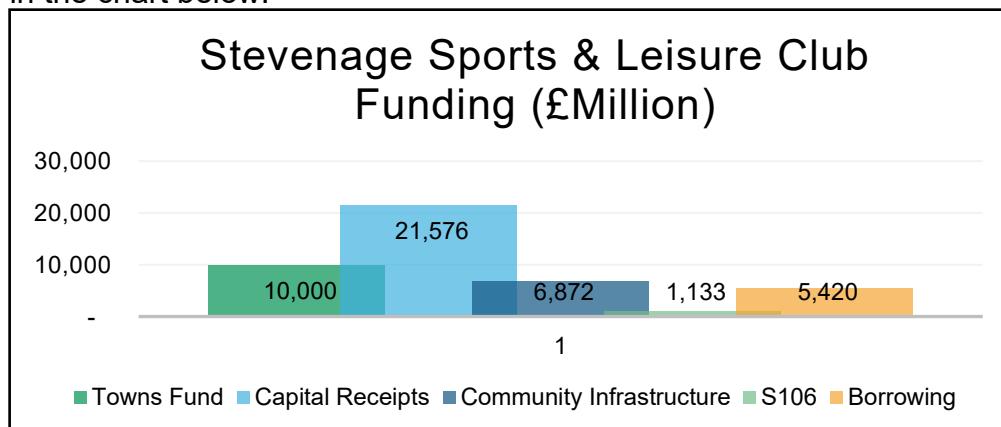
#### 4.3. Revised Summary Capital Programme 2025/26 – 2028/29 including Proposed Growth

4.3.1. The revised Capital Strategy for 2025/26 – 2029/30 totals £118Million which includes the proposed growth bids of £7.9Million. This is summarised by service in the table below, and in detail in Appendix B.

**Table 3: Final Capital Programme including proposed growth by Service £000**

	25/26	26/27	27/28	28/29	29/30	Total
Environment & Leisure	4,538	5,925	3,070	1,823	2,317	17,673
Land, Development & Neighbourhood Regeneration	2,900	17,179	2,750	2,750	0	25,579
Estates	1,132	2,046	0	0	0	3,178
Technology	205	138	79	79	0	501
Regeneration	20,097	21,215	24,714	2,434	0	68,460
Planning & Regulation	809	558	55	45	0	1,467
Deferred Works Reserve	149	400	250	0	0	799
<b>Total GF Schemes<sup>1</sup></b>	<b>29,830</b>	<b>47,461</b>	<b>30,918</b>	<b>7,131</b>	<b>2,317</b>	<b>117,657</b>

4.3.2. Stevenage Sports & Leisure Club was approved at the October 2023 Executive and is now included in the approved programme. This £45Million project is expected to be delivered by 2028/29. The project funding is set out in the chart below.



<sup>1</sup> Service names have been updated since the draft report to reflect the new 2026 Structure

4.3.3. The September MTFS report identified the revenue headroom to fund the Community and Retail assets at the Oval of £5.5Million and this is now included in the capital programme. Borrowing to fund the project of £5.5Million is spread over 2027/28 and 2028/29. The indicative annual revenue costs of the scheme include £137.5k MRP for repayment of the principal commencing in 2029/30 in the General Fund budget.

4.3.4. Further capital investment will be required over the medium to long term to support service delivery. Capital bids not deemed a high enough priority for funding at this stage have been listed in Appendix C to be considered for approval in future budget rounds, pending funding availability. These include “ongoing” capital investments (e.g., Fleet replacement). The funding of the medium to long term capital strategy is set out in the section 3.2, however the improved financial position of the General Fund as a result of Fair Funding has allowed for a potential £3.6Million in investment to 2029/30.

<b>Table 4 Capital Funding (Revenue) £000</b>					
	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>2029/30</b>	<b>Total</b>
Additional funding for capital	1,200	1,200	1,200	1,000	4,600
Growth Bids not funded	175	622	141	670	1,608

4.3.5. The Deferred Works Reserve, after the inclusion of growth above will have a total maximum budget of £799K by 2027/28. This budget is for any health & safety emergency works that may arise after the budgets are agreed at Council in February, and for works arising as a result of condition surveys including at BTC (£150k) and for other property assets (£250k 2027/28).

#### 4.4. Capital Resources for the Revised General Fund Capital Strategy, including proposed Growth

4.4.1. The projected resources used to fund the Capital Strategy are summarised in the table below.

**Table 5: Revised Capital Programme Resourcing including Proposed Growth £000**

	25/26	26/27	27/28	28/29	29/30	Total (£000)	Total (%)
Capital Receipts	5,463	8,910	19,539	1,855	900	36,667	32
Grants and other contributions	13,580	20,838	603	28	5	35,054	30
RCCO and Revenue Reserves	1,125	2,691	1,273	1,269	31	6,389	5
Capital Reserve	116	338	105	134	0	693	<1
CIL/EPR	109	5,182	1,138	909	0	7,338	6
Borrowing	9,437	9,502	8,260	2,936	1,381	31,516	27
<b>TOTAL</b>	<b>29,830</b>	<b>47,4611</b>	<b>30,918</b>	<b>7,131</b>	<b>2,317</b>	<b>117,657</b>	<b>100</b>

4.4.2. The total borrowing recommended of £32Million includes £16Million of short term borrowing for SG1 Joint Venture, garage improvements, and Housing Development schemes the latter scheduled to be repaid by 2027/28 using capital receipts profiled to be received by that year. The remaining balance includes £5.4Million for the new leisure centre, £5.5Million for the Oval commercial and retail development, further Garage Improvements and Housing Development schemes including through the Wholly Owned Company (WOC). The borrowing is repaid through a minimum revenue contribution (MRP) from the General Fund (see also section 4.7).

4.4.3. The use of capital receipts is dependent on delivery of the disposal sites to the market, assuming that all the General Fund Growth Bids in Appendix A are approved. Ring-fenced Town Centre Transformation and SG1 receipts are restricted.

4.4.4. The use of revenue and revenue reserve in the Strategy totals £6.4Million, includes -

- £3.6Million proposed use of General Fund reserves for growth
- £1,185K of Extended Producer Responsibility (EPR) funding for two freighters, bin replacements, and additional Flat block recycling
- £719K revenue grant – for flat block recycling
- Garage improvement plans – revenue contributions £415k
- Leisure contributions and reserves £260k

#### **4.5. Capital Receipts Review Update**

- 4.5.1. The current position is detailed below now includes ring fenced capital receipts allocated to part fund the leisure centre (£22Million) across 2027-2029.
- 4.5.2. Anticipated receipts from Kenilworth phase II have now been slipped a year into 2027/28 (£6Million). This will delay the associated re-financing of internal general fund borrowing by a year.
- 4.5.3. Garage sales of £1.35Million forecast to be received from 2027/28 to 2028/29 have been revised down to £1.1Million with only £200k expected in 2027/28 rather than the original £700k forecast when the Garage improvement programme was approved. Receipts of £300k per annum from 2028/29 to 2030/31 are also uncertain. This change has resulted in planned borrowing for the scheme of £3.2Million being brought forward to 2026/27 resulting in higher borrowing costs.
- 4.5.4. Forecasts are based on best information available at the time the report is written.

Table 6: Capital Receipts £000	Previous Forecast	Revised Forecast	Variance
<b>Capital Receipts (GF)</b>			
Year 2025/26 Forecast	2,184	2,058	(126)
Year 2026/27 Forecast	9,493	3,560	(5,933)
Year 2027/28 Forecast	19,276	36,314	17,038
Year 2028/29 Forecast	-	11,568	11,568
<b>Total Capital Receipts (GF)</b>	<b>30,953</b>	<b>53,500</b>	<b>22,547</b>

#### **4.6. Community Infrastructure, Biodiversity Net Gain and S106 Update**

- 4.6.1. The Community Infrastructure Levy (CIL), introduced under the Planning Act 2008 and implemented by the Council in April 2020, remains a vital funding mechanism for delivering both strategic and neighbourhood priorities. To date, £5Million of Strategic CIL has been committed to the Sports and Leisure Hub and, where applicable, the Public Sector Hub. In addition, Neighbourhood CIL contributions of £97k per annum have supported the Community Climate Change budget, enabling wards to deliver local climate initiatives.
- 4.6.2. It is proposed that £225k of CIL funding, supplemented by £30k from Biodiversity Net Gain (BNG) contributions (£112.5k in 2025/26 and £142.5k in 2026/27) be allocated to deliver projects aligned with the Council's Climate Action Plan, Green Space Strategy, Woodlands Strategy and Biodiversity Action Plan. These initiatives will deliver tangible benefits, including extensive tree planting, biodiversity enhancements, improved health and wellbeing

outcomes, and enhancements of the public realm, reinforcing Stevenage's commitment to creating greener, healthier, and more inclusive spaces.

- 4.6.3. The current unallocated balance stands at £663k, alongside £68k in non-ringfenced BNG contributions secured prior to mandatory implementation. Officers will continue to work closely with Members to prioritise and progress future investments.
- 4.6.4. The council holds £1.725Million in Section 106 (S106) contributions as at 22 December 2025. Of these contributions, £1.2Million is already accounted for in the Capital programme (£553K contributing to the funding of Sports and Leisure Hub (in addition to CIL above), £211k for cycling infrastructure and £123k funding Play Area Improvements). A further £516k is earmarked for sports including at the new country park or used to support the Leisure Hub. The remaining ring fenced contributions include those for affordable housing £69k and biodiversity projects £186k. In many cases the planning legal agreements require monies to be allocated towards a specific project in a specific location. Even where the Council has more flexibility it will need to ensure any eventual projects comply with the s106 conditions of use.

#### **4.7. Minimum Revenue Provision (MRP)**

- 4.7.1. MRP is applied where the council has to set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). 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. The council will continue to balance the use of capital receipts, internal borrowing, and external borrowing to ensure the most efficient use of resources, including the need to fund MRP.
- 4.7.2. The other main risks to the capital programme are:
  - Potential for scheme overspends.
  - Potential for delay in realising capital receipts noting that £5.6Million of land/asset sales are forecast to be achieved in 2025/26 and 2026/27.
  - The deferred works budget may not be sufficient to fund any schemes not currently funded in the Strategy due to the ongoing and aforementioned fix-on-fail policy approach.
  - Potential for money spent as capital on Towns Fund projects to revert to a future revenue liability if projects do not progress to physical completion, e.g., only feasibility and early design are completed.
  - Cost volatility and increased client risk in construction projects due to the impact of cost of living, which has resulted in supply chain pressures and significant price increases across the construction sector.

#### **4.8. Other capital investment and Finance Lease**

- 4.8.1. The Council purchased several properties in the town centre to enable it to meet its SG1 regeneration aims. These properties were purchased in part

using LEP funding. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. Prior to making these strategic acquisitions full risk assessments were undertaken to ensure the cost of carrying these assets in the short to medium term could be met by the Council.

- 4.8.2. The 2026/27 General Fund Budget Strategy includes the Council's approach to set aside money to repay the LEP loan. An initial £500k will be set aside in 2026/27 with further set asides planned for future years. This strategy can be found elsewhere in the agenda.
- 4.8.3. The Council undertook a long-term finance lease for a circa £50Million mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. Prior to the decision to proceed being made a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements associated with the Limited Liability Partnership. Performance of this asset is reported to members as part of the Group companies updates to cabinet.
- 4.8.4. External legal, financial, and commercial advice is procured to ensure the validity and viability of business cases presented to Members.

#### **4.9. De Minimis Level for Capital Expenditure 2025/26**

- 4.9.1. No change to the de-minimis expenditure limit of £10,000 per scheme is being proposed this year.

#### **4.10. Contingency Allowance**

- 4.10.1. The contingency allowance for 2025/26 is £250,000. The contingency proposed for 2026/27 remains at £250,000, for schemes requiring funding from existing capital resources. A limit of £250,000 is also set for schemes for each fund that have new resources or match funded resources identified in addition to those contained within this report. This limit applies individually to both the General Fund and the HRA. This contingency sum constitutes an upper limit on both funds within which the Cabinet can approve supplementary estimates, rather than forming part of the Council's Budget Requirement for the year.
- 4.10.2. Separate to the contingency allowance, is the delegation to Cabinet or Portfolio Lead/Leader of the Council to approve increases to the capital programme for grant funded projects, when external funding sources have been secured. Officers propose that this contingency allowance remains at £5Million where a scheme is fully funded from third party contribution/grant.

#### **4.11. Consultation**

##### **Council Financial Security Group (CFSG) 6 & 13 January 2026**

- 4.11.1. Following a review of all growth bids by Senior Leadership Team (SLT), a priority list was presented to CFSG a cross party Member group on 6<sup>th</sup> January 2026 with the 27 new proposed Growth Bids to be funded for 2026/27, these are summarised in Appendix A. The scoring rationale applied to these budgets was "do not support" 0 point, "support but low priority" 1 point and support with high priority" 3 points.

4.11.2. The seven members of CFSG scored the schemes which resulted in range of between 12 and 21.

Table 7 Consultation results – funded bids (6 January 2026)		
Number of schemes	Total Points per scheme (max 7*3 = 21)	Support % (Actual points v max points)
11	21	100
7	17	81
6	19	90
1	16	76
1	13	62
1	12	57
<b>27</b>	<b>98</b>	

4.11.3. As can be seen from the table above all the proposed schemes received a score of above 50% and were supported by a majority of members.

4.11.4. During the meeting, members sought some clarifications. Where these were not resolved during the meeting, the Director for Finance circulated information afterwards and was discussed during the meeting on the 13<sup>th</sup> of January 2026. These clarifications were:

- **Upgrade/Replacement Programme for CCTV Cameras across Stevenage (£70k in 26/27, £40k in 27/28 and £30k in 28/29, total £140k), Question: Do the replacement CCTV cameras include those for tower blocks?** Yes - tower blocks are covered under this budget for replacement of existing equipment as they come to their end of life.
- **The parking restrictions £75k – Question: what are the details?** An analysis of projects planned was circulated to members for information, including schemes in Bedwell Shephall and the Old Town– there were no follow up queries received.
- **Green Space Infrastructure £150k – Question: what are the details?** An explanation of works was circulated to members for information such as enable repairs and improvements to footpaths, roads, access, etc, within green spaces to reduce costs examples given were:
  - Continued replacement of the worn footboards around the pond edge in the Town Centre Gardens

- Continued resurfacing of Fairlands Main Car Park.
- Thermoplastic re-marking of car parks where necessary
- Installation of new bollards/metal hoops/gates, etc., in parks and open spaces to deter/limit vehicle access
- Repair/replacement of park/green space signage
- Path resurfacing works

4.11.5. Members also asked about the investment in the theatre and SALC once the new Leisure Hub is built (£1Million 2027/28), Members were advised that although there are plans to have a new Theatre as part of the Station gateway agreement this was likely to be 10-15 years in the future. In addition, the Council would be responsible for mothballing parts of the building under the existing leisure contract, and the investment would be to expand the size and offer in the building for shows, but that any bid/business case once completed could be reviewed by CSFG, but was based on including the following:

- To have a fixed venue, which can operate up to seven days per week in the main hall on a permanent basis with seating replaced with more comfortable seats.
- The Bowls Hall will be used as an events venue, the changing rooms converted to a toilet facility commiserate with a large capacity audience.
- The ground floor gym area could be converted to a dedicated bar for main hall shows and events and the squash courts converted to performers dressing rooms.

4.11.6 The lowest scoring bid, the sign at Fairlands raised a number of queries regarding the cost, the officer responsible stated that the sign would be:

- V shaped each side of the V mirrored so it can be seen by vehicles travelling in each direction, the sign will be modular ladder type (with park features listed on the ladder)
- any new features changes can be adapted easily making the sign future proof the sign will be constructed of metal and relocated to a more prominent position subject to planning approval
- The sign will display the parks features for example, splash park, activity centre, café, cycle hub to name a few.

4.11.6. CFSG Members also asked about the 'not recommended' bids and were in a subsequent meeting asked to score the nine bids in Appendix C which are currently unfunded. The scoring rational was the same as for the bids above. This consultation took place on 13 January 2026, and the results are in the table below. Of the seven original members, six attended and voted, resulting

in no majority vote for those bids and remain a lower priority and therefore not funded.

<b>Table 8 Consultation results – un-funded bids (13 January 2026)</b>		
<b>Number of schemes</b>	<b>Total Points per scheme (max 7*3 = 21)</b>	<b>Support % (Actual points v max points)</b>
1	5	28
4	3	17
1	4	22
2	2	11
1	0	0
<b>9</b>	<b>14</b>	

4.11.7. Overview and Scrutiny met on the 20 January 2026 to consider the Draft Capital Strategy as part of the budget and policy framework. The Director of Finance gave an overview of the Strategy setting out the size of the programme and the scrutiny by CSFG and the resultant scoring results.

4.11.8. A question was asked about why there was no growth bid for the lighting in Fairlands park, to which the Strategic Director (S151) stated the results of the bat survey needed to be considered, followed by a lighting survey and that potential solutions could range from a modest £7,000 to £850,000, which is difficult to budget for and the relative prioritisation of other bids. The Strategic Director stated that there was a deferred works reserve and Capital Reserve that can be utilised if additional works arise in the year.

4.11.9. Cabinet is requested to consider the views of CFSG and Overview and Scrutiny and agree to approve all 27 fully funded schemes. These have all been included within the proposed capital programme for 2026/27 (in Appendix B).

## **5. IMPLICATIONS**

### **5.1. Financial Implications**

5.1.1. This report is financial in nature and consequently financial implications are included in the above.

### **5.2. Legal Implications**

#### **5.2.1. Local Government Reorganisation**

Section 24 of the Local Government and Public Involvement in Health Act 2007 provides the Secretary of State with powers to control financial decisions made by local authorities that are due to be abolished or reorganised under a structural changes order. Under this provision, the Secretary of State may

issue a direction that prevents a relevant authority from doing any of the following without written consents: -

- Disposing of land where the consideration exceeds £100,000
- Entering into any capital contract under which the consideration payable to the relevant authority exceeds £1,000,000 or which includes a term allowing the consideration to be varied
- Using financial reserves in budget calculations under the Local Government Finance Act 1972

The direction can specify that the consent must be obtained from the Secretary of State or a designated person of an authority (e.g. a shadow executive). The timing of the direction will be determined by the Secretary of State but will usually be linked to the issuing of the structural change order, the indicative timeframe of which for Hertfordshire is autumn 2026.

5.2.2. The legal implications for each individual scheme within the capital programme will be considered when approval is sought for that scheme. Each scheme within the capital programme will be approved in accordance with the council's constitution.

### **5.3. Equality and Diversity Implications**

5.3.1. None specifically in relation to this report.

### **5.4. Risk Implications**

5.4.1. The significant risks associated with the capital strategy are inherent within this report.

5.4.2. There is a risk that the value of land sales is not realised due to the impact of the cost-of-living crisis reducing demand and prices lower than anticipated as a result. In order to mitigate the impact of this, revenue underspends of up to £500k may be made available to support capital resource in the short term.

5.4.3. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources where a sale is likely to complete. This will enable action to be taken where a receipt looks doubtful.

5.4.4. A significant risk exists that works deferred due to lack of resources and materials. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum.

5.4.5. The impact on the Council's medium - long term capital strategy as a result of the governments English Devolution White Paper (16 December 2024) is currently unknown. Measures include plans for new powers for mayors across strategic planning – giving them the ability to guide infrastructure and development projects across areas, housing, transport, and skills. Impacts if any, will be included in future years capital strategy documents.

## **5.5. Climate Change Implications**

- 5.5.1. In their current form the Council's buildings do not currently support the climate change ambitions in terms of energy efficiency or divestment of use of fossil fuels.
- 5.5.2. However, there is an opportunity through the local asset review programme to build in design principles to improved / future assets in terms of energy efficiency and sustainable energy sources. This should be a core principle of any future designs arising from the local asset reviews. There would be a further benefit of reduced energy costs.
- 5.5.3. The climate change agenda is far wider than the buildings the Council uses. For example, the Council is also examining the vehicle fleet and consideration will be given to reducing its carbon impact
- 5.5.4. In addition to existing assets, new buildings being planned and delivered as part of the regeneration of Stevenage – e.g., the Hub and new Leisure Centre will be designed and equipped to meet modern standards.

## **BACKGROUND DOCUMENTS**

- BD1 Quarter 2 monitoring report (Cabinet, December 2025)
- BD2 GF MTFS (2025/26-2029/30) (Cabinet, September 2025)
- BD3 General Fund Capital Strategy Overview – Priorities Versus Funding Requirement 2023/24-2029/30 (November 2023 Executive)
- BD4 Balancing the Budget 2026/27 (Cabinet November 2025)

## **Appendices**

- A General Fund Capital Bids for consideration
- B General Fund Capital Strategy
- C Non-priority Capital Bids for note – unfunded