

CAPITAL STRATEGY 2026/27

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1. Aims and Objectives

- 1.1 The overarching aim of the council's Capital Strategy is to optimise the availability and effective use of resources to support capital projects. The Capital Strategy is intended to benefit the council, its partners, and Stockport residents and businesses by providing a framework for optimising and managing the capital resources available to the council, develop its overall asset infrastructure and support the achievement of the priority outcomes.
- 1.2 The Capital Strategy is a key part of the council's overall policy framework. It is influenced by a number of internal and external policies, strategies and plans, and encompasses the demands of each to ensure priorities and plans are achieved in a timely manner, whilst resources are optimised.
- 1.3 The council has a number of strategies and plans that influence the Capital Strategy. Many of these include assessments of the value, sufficiency and suitability of assets utilised by the council in delivering its services. They also include indications of future capital investment that the council will need to make to achieve their stated objectives and provide information around bids and submissions for resources to various external sources of finance.
- 1.4 Implementing the capital strategy is key to achieving the council's ambitions, helping regenerate the borough by building homes, services and infrastructure, which will in turn grow the local economy, create jobs and develop strong communities.
- 1.5 Regeneration is a key driver in helping the council deliver Stockport's One Future Vision to make the borough the best place to live a happy, healthy life in the UK. One Stockport, One Future sets out how partners across the borough will work together to achieve this through good jobs and homes, being the best place to grow up, thriving neighbourhoods. clean, green transport, and best health and care. Actively promoting growth in housing and businesses helps to address the housing shortage and financial sustainability in the borough. It provides significant financial and operational benefits, directly translating into higher, sustainable income streams supporting the council's medium term financial plan. Not having a proactive economic and regeneration strategy can lead to neglected town centres, boarded up high streets and an inability to attract new investment, creating a cycle of decline.
- 1.6 Capital investment in much needed housing for local people alongside key services and amenities, is helping to grow the town centre's existing population to continue to support vibrant and thriving high streets and existing businesses as well as encouraging others to set up and relocate to Stockport. The council's regeneration ambitions are helping to align projects with its key strategic goals. Capital investment is driving economic development that benefits all communities, supports local businesses and attracts investment to create quality jobs.
- 1.7 The Mayoral Development Corporation has been key to delivering the regeneration masterplan for Stockport Town Centre West. The expansion to include Stockport Town Centre East is ambitious, encouraging investment from both public and private sector. It aims to deliver a total of 8,000 new homes for Stockport equating to 4,000 homes for each part of the town centre.

- 1.8 Capital investment is helping meet its clean economic growth objectives through employment generation and by achieving high environmental performance. The council is committed to climate action and sustainability, and capital investment plans are embedding Stockport Climate Action Now priorities by promoting green infrastructure, energy efficiency and sustainable transport, which are helping to achieve carbon neutrality by 2038 in line with Greater Manchester targets. The asset management plan seeks to prioritise investment in the portfolio to maintain the estate, ensure that we have the right property in the right place, ensure that assets that are retained are fit for purpose, well maintained and support modern and efficient service delivery with minimal environmental impact.
- 1.9 The main outcome of the Capital Strategy is to ensure that capital investment and associated activities provide value for money and are in line with the council's priority outcomes. This Strategy will develop and maintain firm foundations and clear guidelines and objectives for the council's capital activities.

1.1 Key Objectives

The key objectives of the Capital Strategy are as follows:-

- Facilitate the allocation of available capital resources in line with the council policies, strategies and plans;
- Direct resources towards high priority areas to support the council's policies, strategies and plans;
- Enable the identification and optimisation of all sources of capital funding and ensure its effective utilisation;
- Promote the development of capital projects that demonstrate value for money, generate efficiencies and deliver improved performance, planned outputs and outcomes;
- Enable the production of a deliverable three-year rolling capital programme, which is set within the long-term capital investment context;
- Ensure clear and understandable links between the capital programme and the revenue budget in relation to financing costs and the running costs associated with capital projects;
- Ensure that the approval and subsequent funding of capital projects have regard to the council's sound financial standing, including the maintenance of sufficient reserves and balances, and sustainable and affordable levels of debt; and,
- Ensure that property and other tangible asset management issues are fully reflected in the council's policies, strategies and plans.

2. Key Principles

2.1 The key guiding principles that underpin the application and ongoing development of the Capital Strategy are as follows:-

- **Accountability** – to be promoted and demonstrated by officers and members throughout the capital planning processes, including the use of effective monitoring and reporting mechanisms.
- **Affordability** – future revenue consequences of capital projects, including the costs of capital financing, will be considered in determining the council's revenue budget.

- **Prudent** – the council will deliver a capital programme that is financially affordable, prudent and sustainable.
- **Efficiency** – support ways to minimise costs and generate efficiencies, particularly through invest to save initiatives, taking account of local and national targets and regional strategies and initiatives.
- **Improvement** – promote and support the achievement of improvements in service delivery and the use of resources.
- **Priorities** – the Capital Strategy will enable resources to be directed into council priorities arising from the Borough Plan, One Stockport, One Future Plan and the Council Plan.
- **Sustainability** – the Capital Strategy is a key component of the council’s drive to ensure all its resources are utilised and managed in a sustainable manner linked to the GM wide target to be carbon neutral by 2038. Environmental sustainability will be a key consideration when prioritising investment proposals.
- **Value for Money** – projects will be effectively appraised to ensure they promote, achieve, and demonstrate value for money in the provision of services and the use of resources.
- **Realistic and Deliverable** – capital investment projects must be developed with realistic timescales and budgets.
- **Risk Management** – in accordance with the council’s risk management strategy, risk assessment and management principles and activities will be embedded throughout all aspects of the Capital Strategy and programming processes.
- **Consultation** – decisions made regarding the allocation of resources will be informed and influenced by the various consultation exercises undertaken by the council.
- **Equality** – in implementing the various elements of the Capital Strategy consideration will be given to the equalities agenda and every effort will be made to ensure that there is no potentially adverse impact on any disadvantaged group.
- **Partnership and Collaborative Working** – in delivering the Capital Strategy the council will seek to work effectively with partner organisations within the borough, with other local authorities (particularly within the Greater Manchester Region), including Greater Manchester Combined Authority (GMCA) and with the relevant regional and national agencies.

3. Capital Board and Development of Capital Investment Projects

- 3.1 The Capital Board provides oversight of the council’s Capital Strategy and capital programme ensuring the strategic fit of capital investments and use of capital resources to support the delivery of the council’s ambitions and priorities.
- 3.2 The Capital Board is responsible for overseeing the council’s capital investment and use of capital resources from inception to completion. It does this through a Capital Gateway Process.
- 3.3 The Capital Gateway Process assesses capital investment proposals to:
 - Ensure capital investments and use of capital resources are aligned to the council’s capital strategy and support the delivery of strategic organisation and partnership priorities (e.g. economic plan, digital, education, climate action now (CAN) plan);

- Ensure capital investments and use of capital resources are aligned to the council's treasury management strategy and CIPFA Prudential Code to assess affordability and understanding of capital and revenue budget impact of decisions;
- Ensure capital investments and use of capital resources are delivered efficiently and effectively, and mitigate financial risk to the council; and
- Desired outcomes are achieved as a result of the capital investments and use of capital resources.

3.4 The Capital Gateway Process is made up of seven stages from inception through to approval and delivery, with a specified template for each to ensure that the process is efficient and that the relevant information is captured. The gateway stages are as follows:-

- **Gateway Stage 0** – Project Mandate; idea inception and assessment prior to entering gateways.
- **Gateway Stage 1** – Strategic Business Case (SBC); outlines the initial capital investment proposal, high-level detail, and strategic fit/alignment.
- **Gateway Stage 2** – Outline Business Case (OBC); builds on SBC and demonstrates how outcomes of the capital investment proposal link to the Council Plan and corporate and strategic priorities.
- **Gateway Stage 3** – Final Business Case (FBC); sets out how the outcomes outlined in the OBC will be delivered.
- **Gateway Stage 4** – Formal governance and approval.
- **Gateway Stage 5** – Delivery and Monitoring.
- **Gateway Stage 6** – Review and Close.

3.5 There are a number of activities and mechanisms that may instigate capital investment proposals, key elements include:-

- Specific allocation of capital resources – the council receives notification from Government Departments and other funding bodies of capital grant awards and contributions, which are allocated for specific purposes;
- Submission of funding bids – the council is invited to submit bids and plans for capital funding available through Government Departments and other funding bodies, usually to address specific aims and objectives;
- Individual capital investment projects are identified that will deliver specific priority outcomes within a given timeframe. Often, there is no specific funding stream available for these projects.

3.6 Proposed capital investment projects must clearly demonstrate how they will address specific needs or achieve certain outcomes, including how they will support specific council priorities, strategies and plans. Key steps in developing capital investment projects include:-

- **Project Appraisal** - projects will need to demonstrate that they are the best option available to deliver the expected outcomes, provide value for money and outputs and that the probability and impact of risks associated with all the main factors and assumptions contained in projects and funding sources are adequately assessed. This includes the affordability within the revenue budget of any direct additional revenue implications of implementing the capital project as well as the affordability within the revenue budget over the long-term of the debt repayment and interest costs associated with any prudential borrowing undertaken to fund capital projects.

Capital investment appraisals must give full consideration to both financial and environmental viability, prioritising those projects that will have the most beneficial impact on carbon emissions.

- **Project Management** – project management is essential in delivering effective capital projects.
- **Capital Programme Control and Monitoring** –regular reports and updates must be produced to provide information on the progress and outcomes of capital projects to ensure they are being delivered effectively. All capital investment schemes will be included in the council’s rolling three-year capital programme, which is approved by members and reported on a quarterly basis.
- **Post Project Evaluation** – all major capital projects should be subject to a final evaluation, setting out what it delivered against what was planned, the results of which will be formally reported.
- **Strategy Review** – the Capital Strategy and Capital Programme will be reviewed and updated annually.
- **Consultation** – this strategy, the capital programme and annual budget considerations will be shared with partners and other relevant bodies, and their responses sought. Details will also be made available on the council’s website and the views of focus groups representing the residents and businesses of the Borough will be ascertained.
- **Capital Resource Forecasts** – sound forecasting mechanisms need to be in place to forecast, with some degree of confidence, the levels of all capital resources available to the council at all times.

4. Capital Investment Funding Strategy

4.1 Whilst capital investment is driven by the council’s strategic objectives, the council must be able to demonstrate, in accordance with the Prudential Code, that the investment is affordable, financially prudent and sustainable. Future capital investment is constrained by the limited availability of funding resources, such as grant funding. The council must therefore rely on internal capital resources and look to identify and unlock new/other external funding sources to ensure that capital investment in the borough continues. As resources are limited, there are a number of key policies that underpin the processes, which determine how capital resources are allocated, including:-

- **Grant funding** – the council’s default policy is to allocate grant funding received for the original purpose intended by the funding provider. The council does have discretion to allocate the resource to different schemes in some cases but there is a risk that by doing so, the council will not deliver certain outcomes expected and potentially place eligibility for this funding stream in future years at risk. Therefore, any change to the policy for allocation of such funding should be agreed with Capital Board, Corporate Leadership Team and with relevant member agreement where appropriate.
- **External contributions/commuted sums** – these are usually provided for specific purposes, e.g. developer agreements, therefore these are allocated for this purpose.
- **Bidding for external capital resources** – care must be taken to ensure that costs and risks attached to preparing a bid and obligations tied to specific outcomes do not outweigh the benefits of receiving the additional funding. External bids and information submitted to support capital allocations should be considered by the relevant Senior Management Team, Capital Board, Corporate Leadership Team and approved by the relevant Cabinet Member. Whilst the council will always seek

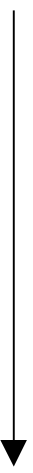
to obtain additional resources to support its own needs and priorities it has to operate within the constraints established for the various bidding processes as determined by the funding providers, including where required, joining with other authorities and partnerships to bid for resources on a multi-area basis.

- **Capital Receipts** – some capital receipts are ringfenced for a particular purpose, e.g. Education and Housing Revenue Account (HRA) capital receipts, and such receipts remain ringfenced for that purpose. There may be other instances where a specific capital receipt is identified as essential funding for a particular capital investment project, in which case it is ringfenced to support that particular scheme. The Capital Board in conjunction with Cabinet (or Cabinet Member) will approve all ringfencing proposals as appropriate. All other capital receipts generated are for corporate allocation as determined by the Capital Board.
- **Generation of Capital Receipts** - the generation of corporately available capital receipts to fund the capital programme is an integral and essential element of the overall capital strategy. Surplus property will be identified through the asset management framework procedure. Property issues can be complex and bringing forward assets for sale will be considered by the relevant officers before advice is provided to Capital Board and Cabinet.
- **Revenue Contributions to Capital Outlay (RCCO)** – resources may be set aside from revenue budgets and reserves to fund specific capital expenditure.
- **Prudential borrowing** - the council may support capital investment projects with prudential borrowing provided it is prudent, affordable and sustainable and approved by the Cabinet for use within the affordability parameters set out in the council's Treasury Management Strategy. There are two types of prudential borrowing:-
 - Directly funded borrowing (DFB) - this is financed from service cash limit budgets. A robust business case must be developed demonstrating the efficiency savings that will offset the associated future cost of servicing debt. The affordability within the debt charges revenue budget of any direct additional revenue implications during the development stage of the capital project must clearly be set out as well as how revenue budgets can meet the future repayments once completed. The repayment term must be in line with the useful life of the asset, up to a maximum of 40 years (50 years for land).
 - Unsupported borrowing (USB) – this is where the capital expenditure is financed corporately. This can enable flexibility in the funding of the capital programme, for example, it could be used as temporary funding pending release of funds from the sale of property. However, with regards to permanently funding schemes, it should be used as funding of last resort where a scheme is considered critical and essential to delivering priority outcomes for the council and there are no other funding streams available. Annual repayments from corporate non-cash limit revenue budgets must be in line with the useful life of the asset, up to a maximum of 40 years (50 years for land).

5. Prioritisation of Corporate Capital Resources

- 5.1 Project managers are required to provide comprehensive details of projects that do not have specific funding streams setting out the amount of corporate financial support required. It is expected that schemes are managed within that original allocation of funding, meaning that a further funding request will have to be submitted through the usual approval processes for any additional funding requirements to complete the project and any balances remaining unspent on completion of the project are returned.

5.2 The table below provides a brief indication of how all schemes requiring corporate capital funding are prioritised.

<u>Priority</u>	<u>Type of Project</u>
Highest Priority 	Unavoidable capital expenditure due to an emergency.
	Projects considered high priority in terms of delivering priority outcomes per the Borough Plan, One Stockport One Future Plan and Council Plan.
	Projects necessary to deliver mandatory or legislative service delivery requirements.
	Projects that give rise to revenue savings or income generation. These can be developed as invest to save projects.
	Projects attracting additional external funding support.
	Projects which improve and repair asset stock, demonstrate clear links to the Asset Management Plan and reduce the need for revenue maintenance in the future.
Lowest Priority	Projects which are not mandatory attract low external support or result in increases in revenue costs.

6. **Governance Framework**

- 6.1 The long-term aim of the Capital Strategy is to introduce a sustainable, workable system for prioritising capital projects, which delivers an annual capital programme supporting the council's strategic priorities and offering best value for money.
- 6.2 The Capital Strategy has strong linkages to both regional as well as local plans and strategies and provides a framework within which the council's capital investment plans can be delivered. The Strategy demonstrates how the council is prioritising, targeting and measuring the performance of its capital resources to stimulate greater effectiveness and better value for money from public expenditure to support the achievement of its key objectives and priorities, cross cutting activities, initiatives and local and national priorities.
- 6.3 New capital investment projects are created to address specific needs or achieve certain outcomes. Any new proposals must clearly demonstrate how they will support specific council priorities, strategies and plans.
- 6.4 All new capital investment proposals must be fully appraised and funding allocated with due regard to the funding strategy, the details of which are set out in this report. The appraisal must incorporate officer experience, knowledge and skills, supported by professional advisors where necessary and appropriate, to ensure robust decisions are made. The appraisal should include:-
- Full scoping of proposed investment, including risk assessments, appropriate due diligence, fully developed project management arrangements, outcomes to be delivered;

- Financial implications associated with the investment, including potential impact on prudential indicators and borrowing limits; and,
 - Consideration of any grant conditions or other funding restrictions.
- 6.5 All capital investment decisions must be approved by Capital Board and Corporate Leadership Team (CLT). They will then follow the council's democratic decision-making and scrutiny processes to ensure that officers and members have full accountability and stewardship for the investment decisions made.
- 6.6 There are circumstances when decisions to approve new capital investment schemes may be delegated to the appropriate Cabinet Member in conjunction with relevant Corporate or Service Director, these are where:
- All scheme costs, revenue financial implications and risks associated with the scheme can be managed within earmarked resources approved for that purpose or appropriate service cash limits;
 - Appropriate consultation has taken place with key stakeholders including, for example Senior Management Teams; and,
 - The cost of the scheme does not exceed £0.250m (£0.100m for school schemes, which may be approved by the relevant Corporate or Service Director).
- 6.7 Once approved and expenditure profile established, new capital schemes will be included in the council's three-year capital programme. Officers will monitor progress and report to members as part of the quarterly Portfolio Performance and Resources Reporting framework.

7. Governance - Roles and Reporting

- 7.1 The Section 151 Officer has a series of specific roles with regards to Treasury Management and these are set out in the Treasury Management Strategy Statement. The Capital Strategy extends the function of this role to include the following:-
- Preparation of a capital strategy to include capital expenditure, capital financing, and non-financial investments over a three-year period and including longer term capital investment plans where appropriate;
 - Ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money;
 - Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the council;
 - Ensure that the council has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
 - Ensuring the proportionality of all investments so that the council does not undertake a level of investing which exposes it to an excessive level of risk compared to its financial resources;
 - Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
 - Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees if applicable;
 - Ensuring that members are adequately informed and understand the risk exposures taken on by the council;

- Ensuring that the council has adequate expertise, either in house or externally provided, to carry out the above;
- Creation of Treasury Management Practices, which specifically deal with how non-treasury investments will be carried out and managed, to include the following:
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

7.2 The role of the Capital Board includes the following:-

- Develop the overall Capital Strategy and capital programme in accordance with the priorities set out by the council's strategic organisation and partnership priorities;
- Review new capital investment proposals and use of capital resources, providing robust challenge, via the Gateway Process before they go through the council's formal governance and approval process;
- Review and understand the implications of external funding bids to ensure the costs and risks attached to any such bids are commensurate to receiving the additional funding;
- Identify synergies between capital investment proposals in order to promote better use of capital resources;
- Receive reports from other strategic groups on their capital requirements and strategies to improve and optimise asset deployment;
- Advise Corporate Leadership Team and Cabinet on the strategic allocation of capital funding available against priorities across the whole council;
- Recommend the approval of new capital investments projects as part of the council's formal governance and approval process;
- Monitor the three-year capital programme at a strategic level and pass comments to Corporate Leadership Team;
- Receive reports outlining the achievement of capital receipts targets and any complex financial issues arising from the disposal of surplus assets;
- Review the outcomes and outputs achieved through the capital programme;
- Co-ordinate improvements in the use of capital resources and management of the capital programme;
- Review the effectiveness of project management on projects with significant variations; and,
- Set sustainable financial parameters for the capital programme aligned to the requirement of the CIPFA Prudential Code.

7.3 The role of Senior Management Teams (SMT) includes the following:-

- Formulate capital investment proposals, ensuring corporate priority fit for submission to Capital Board;
- Monitor and report on capital programme schemes on a quarterly basis;
- Review the outcomes and outputs achieved through the capital programme schemes; and,
- Review the effectiveness of project management on projects with significant variations.

7.4 The role of the Project Manager with regards to capital investment includes:-

- Develop the business case for each project including full project appraisals of different options to deliver outputs and outcomes expected, engaging with external advisors as and when appropriate and necessary;
- Engage in the Capital Board's Gateway Process;
- Ensure projects are delivered on time and within the resources allocated – using appropriate project manager techniques;
- Provide regular monitoring information to Finance;
- Provide detailed project briefings to SMT, Capital Board, CLT and Portfolio holders when required;
- Monitor the risks associated with the project and take appropriate action to mitigate these effecting a satisfactory outcome. Ensure risks are logged and reported in line with the council's Risk Management Framework and Strategy.

7.5 The role of the Finance Service with regards to capital investment includes:-

- Support project managers in carrying out project appraisals;
- Support project managers in monitoring their capital projects;
- Co-ordinate the provision of all capital reports to Capital Board, CLT and Cabinet;
- Support SMTs, Capital Board and CLT;
- Co-ordinate the submission of all statutory corporate capital statistical returns; and,
- Ensure that accounting for capital is compliant with CIPFA's Code of Practice for Local Authority Accounting and Prudential Code requirements.

7.6 The role of Corporate Leadership Team (CLT) includes the following:-

- Receive recommendations from Capital Board on new proposals for capital investment projects;
- Receive recommendations from Capital Board on strategic allocation of capital funding available against priorities across the whole council, ensuring priority fit and pass comments to Cabinet Members;
- Monitor the three-year capital programme at a strategic level and pass comments to the Cabinet;
- Review the outcomes and outputs achieved through the capital programme; and,
- Review proposed updates to the Capital Strategy being reported to Cabinet and Council.

7.7 The role of the Cabinet and Scrutiny Committee with regards to capital investment includes:-

- Receive proposals for capital investment projects;
- Receive quarterly capital monitoring reports including a final outturn report;

- Review and propose updates to the Capital Strategy to Council;
- Propose annually the updated three-year capital programme to Council; and,
- Relevant Portfolio holders are to:
 - Receive proposals for projects for inclusion in the capital programme;
 - Receive reports outlining bids for capital funding; and,
 - Receive detailed capital monitoring information on schemes within their portfolio through the provision of monitoring reports and other information.

7.8 Capital projects will be monitored and reported on in the following ways:

- SMTs – review quarterly monitoring information covering physical and financial progress and issues arising. Ensure programmes are delivered within the financial allocations and expected outputs are delivered;
- Capital Board – use programme wide oversight role to identify synergies between projects that offer greater benefits than originally anticipated, avoid bottlenecks when projects all need similar resources at the same time, and review business cases regularly to ensure that the project is still viable. This is particularly valid when projects have been delayed significantly, have stalled, or have over-run on budget;
- CLT - quarterly report and outturn report detailing expenditure to end of the latest quarter, progress on specific schemes, resourcing statement and requests for programme variations will be submitted to members;
- Member Review - quarterly report and outturn report detailing expenditure to end of the latest quarter, progress on specific schemes, resourcing statement and requests for programme variations will be submitted to the Cabinet and relevant Scrutiny Committee; and,
- Prudential Indicators – are provided as a means to measure progress and outcomes of capital spending and its effect on revenue budgets, council tax and treasury management activities. The Prudential Code sets out statutory treasury and capital prudential indicators and these will be reported to members as estimates in the strategy and budget reports, a mid-year update for treasury purposes, and actuals in the year-end outturn Corporate Performance and Resources Report (CPRR) and Annual Treasury Management Report.

8. Risk Management and Contingency Plans

8.1 There are a number of areas of risk in relation to the delivery of the capital projects, for example, the availability of capital resources, the delivery of schemes on time and achieving successful outcomes. From initial appraisal through to completed project, risks need to be assessed and included as appropriate on project risk register, service risk logs, directorate risk logs and eventually the corporate risk register if the impact is sufficiently great. All risks should be included in project appraisal and subsequent monitoring reporting to SMTs, Capital Board, CLT, Portfolio Member and/or Cabinet as appropriate.

9. Minimum Revenue Provision

9.1 The council's cumulative underlying need to borrow as a result of capital investment is known as the Capital Financing Requirement. The council is required to settle an element of its accumulated General Fund CFR each year by way of a revenue charge (the Minimum Revenue Provision, 'MRP'). Statutory guidance regulates that local authorities must make prudent provision and prepare a statement of the policy on making

MRP in respect of the financial year. Each year the council reviews its MRP Policy, ensures that it is in line with the regulations and this is reported in the Treasury Management Strategy Report.

- 9.2 Ministry of Housing, Communities and Local Government (MHCLG) statutory guidance permits Local Authorities to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity. Where making such loans authorities must ensure that total financial exposure is proportionate and apply accounting standard IFRS9 when measuring credit risk of loan portfolio, specifically that the 'expected credit loss' model for loans and receivables is applied.
- 9.3 The council makes third party loans in line with the statutory guidance, for example, the loan portfolio is largely made up of loans to Stockport Homes Ltd to support the Affordable Homes schemes. These will be accounted for applying the requirements of the relevant accounting standards.
- 9.4 The MRP regulations were changed with effect from 1 April 2025 to ensure that local authority practices are consistent and fully compliant with the intent of the capital framework, in particular with the duty to make a prudent revenue provision. The council's MRP policy is compliant with the MRP regulations, in particular the principal repayments with respect to capital loans are used to pay down the associated debt. In the event of any expected credit loss or impairment in connection with the loan repayments, then the council must make MRP equal to any loss recognised with respect to a capital loan.
- 9.5 The council maintains appropriate credit control arrangements and will apply these to recover overdue repayments that may occur.
- 9.6 For HRA prudential borrowing, the statutory guidance sets out that where depreciation is charged and transferred to the Major Repairs Reserve in accordance with the Regulations, a local authority may determine that no further revenue charge for MRP is required.

10. Non-Financial Capital Investments and Code Updates

- 10.1 Non-financial capital investments are those that a local authority holds primarily to generate a profit, for example investment property portfolios. Statutory guidance issued by MHCLG requires authorities to include non-financial capital investments in their capital strategies. In particular, the guidance states that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Where a local authority chooses to disregard the Prudential Code and MHCLG guidance, then it must report the reasons why and set out its policies for investing the money borrowed, including management of the risks, e.g. of not achieving the desired profit or borrowing costs increasing.
- 10.2 To support this statutory requirement on non-financial capital investments, CIPFA produced Prudential Property Investment Guidance to reiterate the provision in the MHCLG guidance that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

- 10.3 Public Works Loan Board (PWLB) lending terms further help ensure that new loans are not provided to local authorities for purely commercial investments. For any new PWLB loan applications the Section 151 Officer is asked to confirm the following:
- The application is within the relevant legislation and the council's borrowing powers;
 - The date the loan is expected to be applied to expenditure;
 - The spending and financing plans submitted previously to MHCLG via the annual Returns cycle accurately reflect the council's current plans; and,
 - Confirm that the authority does not plan to buy investment assets primarily for yield in the next three years.
- 10.4 Stockport Council has no such non-financial capital assets. The council has a number of assets on its balance sheet under the Investment Asset classification, for example Investment and Development Accounts assets such as Merseyway Shopping Centre and Redrock. The council has many reasons for acquiring such property, largely for strategic regeneration purposes, protection of the Town Centre and supporting the local economy. However, the council does not acquire such assets purely for generating a profit or for providing a significant revenue stream to support the council's finances.

Annex A

1. Capital Programme 2026/27

- a. One aim of the Capital Strategy is to deliver an annual capital programme that supports the council's strategic priorities and offers best value for money. CIPFA's Prudential Code requires the council to set a capital programme for the forthcoming financial year and at least the following two financial years. Below is a table setting out the 2026/27 capital programme, it also includes information about approved schemes that span beyond 2028/29.

	2026/27	2027/28	2028/29	2029/30 Onwards
Portfolio	£000	£000	£000	£000
Communities, Culture and Public Protection	8,428	292		
Economy, Regeneration and Skills	42,917			
Housing and Environment*	31,049	49,534	29,297	294
Finance and Resources	35,184	9,179	8,106	3,546
Health, Wellbeing and Adult Social Care	132			
Parks, Highways and Transport Services	35,022	19,737	9,526	72
TOTAL	152,732	78,742	46,929	3,912

*The Housing and Environment Portfolio includes circa £57m investment in the HRA new housing development schemes that were approved by Cabinet (Housing) Committee on 11 February 2026.

- b. The resources available to fund the 2026/27 three-year capital programme are set out in the table below. In addition, resources approved for schemes that span beyond the three-year Programme are included.

	2026/27	2027/28	2028/29	2029/30 Onwards
Resources	£000	£000	£000	£000
Capital Grants	71,724	34,279	9,486	32
Directly Funded Borrowing	50,778	25,126	6,579	3,546
Unsupported Borrowing	4,672	1,901	3,420	40
Capital Receipts	4,530	30	9,330	294
External Contributions	26			
Commuted Sums	2,214			
Revenue Contributions (RCCO)	4,439	2,693	3,029	
HRA funding from MRR	14,349	14,713	15,085	
TOTAL	152,732	78,742	46,929	3,912

2. Prudential Indicators

- a. CIPFA's Prudential Code requires local authorities to set prudential indicators with respect to their capital programme and borrowing position to ensure that its capital plans are

affordable, prudent and sustainable. The council is required to report on a number of prescribed prudential indicators to demonstrate that it is fulfilling these objectives. The prescribed prudential indicators are:-

- Estimate of capital expenditure for the forthcoming year and at least the following two financial years;
- Estimate of capital financing requirement for the forthcoming year and at least the following two financial years; and,
- Estimate of financing costs to net revenue stream for the forthcoming year and at least the following two financial years.

b. As well as the regulatory indicators, the council has developed a further set of local prudential indicators to support the scrutiny and monitoring of capital investment plans. These indicators provide further analysis of the Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP).

c. The council's prudential indicators for the 2026/27 three-year Capital Programme are set out below.

- Capital Expenditure

The following table sets out the planned capital expenditure, split into General Fund (Non-HRA) and HRA, for each of the years in the proposed programme.

	2026/27	2027/28	2028/29	2029/30 Onwards
Capital Expenditure	£000	£000	£000	£000
General Fund (non HRA)	122,124	29,238	17,662	3,912
HRA	30,608	49,504	29,267	0
Total	152,732	78,742	46,929	3,912

The following tables set out the resources available for the Capital Programme highlighting the prudential borrowing required split into General Fund (i.e. Non-HRA) and HRA.

Financing	2026/27	2027/28	2028/29	2029/30 Onwards
General Fund	£000	£000	£000	£000
Capital Expenditure	122,124	29,238	17,662	3,912
Financed By:				
Capital Grants	62,015	24,569	9,486	32
Capital Receipts	2,290	30	30	294
Capital Contributions	240			
Revenue Contribution	2,129			
Prudential Borrowing	55,450	4,639	8,146	3,586

Financing	2026/27	2027/28	2028/29	2029/30 Onwards
HRA	£000	£000	£000	£000
Capital Expenditure	30,608	49,504	29,267	0
Financed By:				
Capital Grants	9,709	9,710		
Capital Receipts	2,240		9,300	
Capital Contributions	2,000			
Revenue Contribution	16,659	17,406	18,114	
Prudential Borrowing	0	22,388	1,853	0

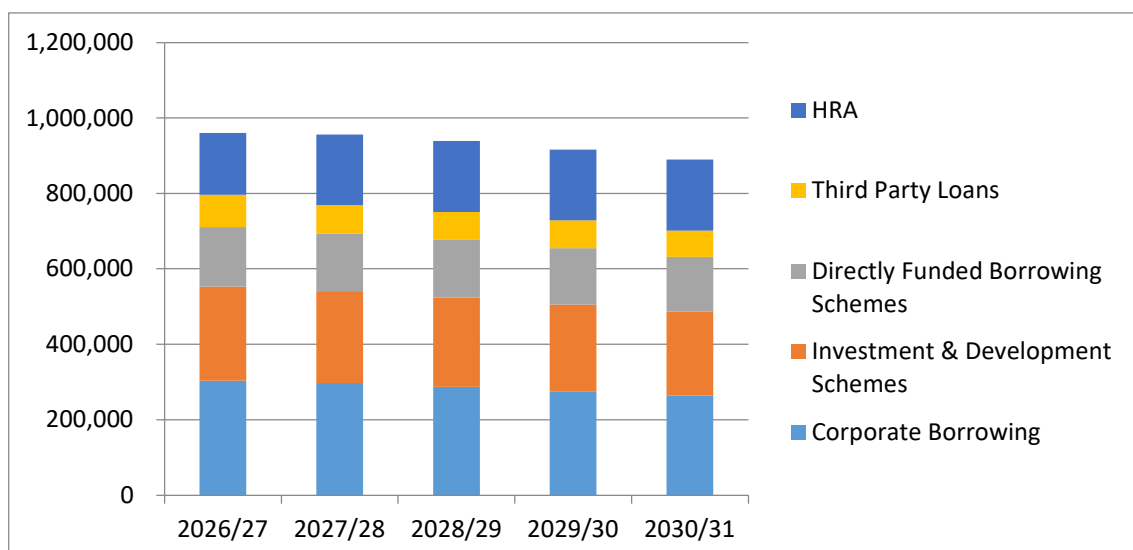
- Capital Financing Requirement (CFR)

This is a measure of the council's cumulative underlying need to borrow as a result of capital investment and is split into General Fund (Non-HRA) and HRA. The table below sets out the forecast CFR for the next five years based on the approved 2026/27 Capital Programme.

Capital Financing Requirement	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
General Fund (non HRA)	796,075	769,380	750,862	728,300	701,678
HRA	163,759	186,147	188,000	188,000	188,000
Total	959,834	955,527	938,862	916,300	889,678

The CFR reflects the amount of prudential borrowing being used to support capital investment. The decrease in CFR at the end of the five years reflects the fact that capital investment decisions have yet to be made. The CFR is further analysed in the graph below, which shows the proportion of CFR relating to prudential borrowing type including HRA, e.g. Corporate Borrowing, which is debt that is financed corporately from non-cash limits budgets, and those schemes which are intended to be self-financing, for example, by creating an additional revenue stream or by reducing operating costs.

Capital Financing Requirement (£000) analysis 2026/27 – 2030/31



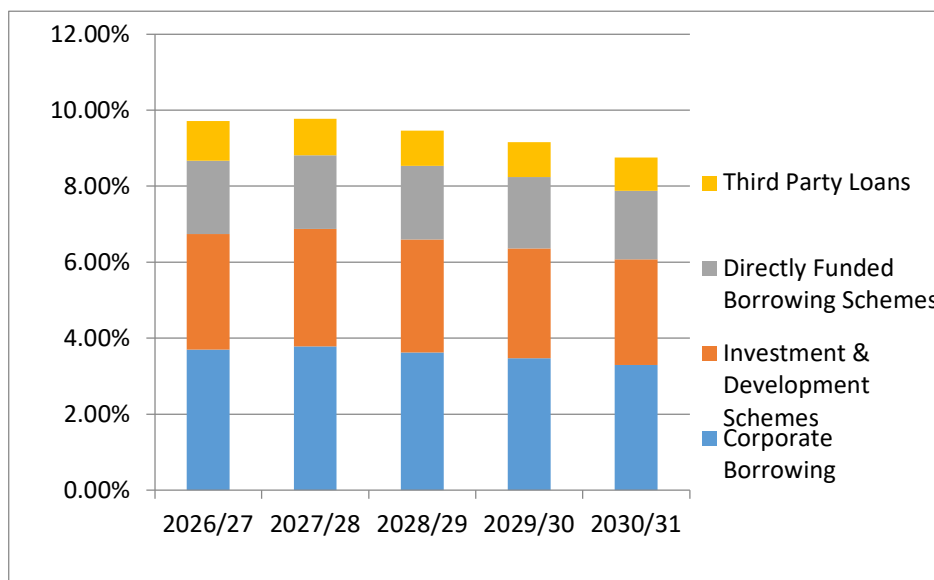
Debt that is intended to be self-financing is categorised as follows:

- Investment and Development (I&D) Schemes – major regeneration schemes, which also have a revenue/rental income stream to cover the associated capital financing costs, for example, Stockport Exchange;
- Directly Funded Borrowing – schemes where the costs are borne by cash limits or recharges to schools; typically being financed by additional revenue streams or operating cost reductions; for example the Street Lighting Investment Programme; and,
- Third Party Loans – these are loans to external organisations, largely comprising loans to Stockport Homes Ltd, where the financing costs are met by those organisations.

- Ratio of financing costs to net revenue stream

These indicators highlight how much of the council's General Fund revenue budget or HRA income budget is being committed to servicing the prudential borrowing. The ratio of capital financing costs to net revenue stream is the percentage of the revenue budget set aside each year to service debt-financing costs. The table below sets out the forecasts for the ratio for the General Fund corporate borrowing and then for total financing costs. The financing costs included in the table below do not take account of savings made or additional income generated by services as a result of the investment but do take account of repayments made by third parties in respect of loan funding provided by the council.

General Fund	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Financing Costs:					
Corporate Borrowing	13,991	14,026	13,225	12,809	12,254
Investment & Development	11,488	11,457	10,912	10,689	10,345
Directly Funded Borrowing	7,273	7,189	7,059	6,941	6,732
Third Party Loans	3,917	3,560	3,417	3,415	3,228
Total Financing Costs	36,669	36,232	34,613	33,854	32,559
Ratio to Net Revenue Stream	9.74%	9.77%	9.50%	9.24%	8.88%



The table below sets out the forecast of the ratio of financing costs to net revenue stream for the HRA and includes the additional borrowing costs for the HRA new housing development, which was approved by Cabinet (Housing) Committee on 11 February 2026.

HRA	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Total Financing Costs	6,376	6,807	8,196	8,196	8,309
Ratio to Net Revenue Stream	8.91%	9.52%	11.46%	11.46%	11.62%

d. Sensitivity Analysis

There are a number of assumptions made when forecasting the council's financing costs, e.g. future interest rates and the continued Treasury Management strategy of using council resources to finance capital expenditure instead of external borrowing, i.e. internal borrowing. The table below illustrates the impact on financing costs of changes to some of the key parameters.

General Fund	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
Total Financing Costs	36,669	36,232	34,613	33,854	32,559
Interest rate increase +1%	2,483	3,267	3,453	3,289	3,263
Income stream reduction -10%	3,161	3,112	2,631	2,541	2,568
Reduction in funds to support internal borrowing -25%	1,817	1,297	945	706	529
Total impact on financing costs	7,461	7,676	7,029	6,536	6,360
Revised financing costs	44,130	43,908	41,642	40,390	38,919

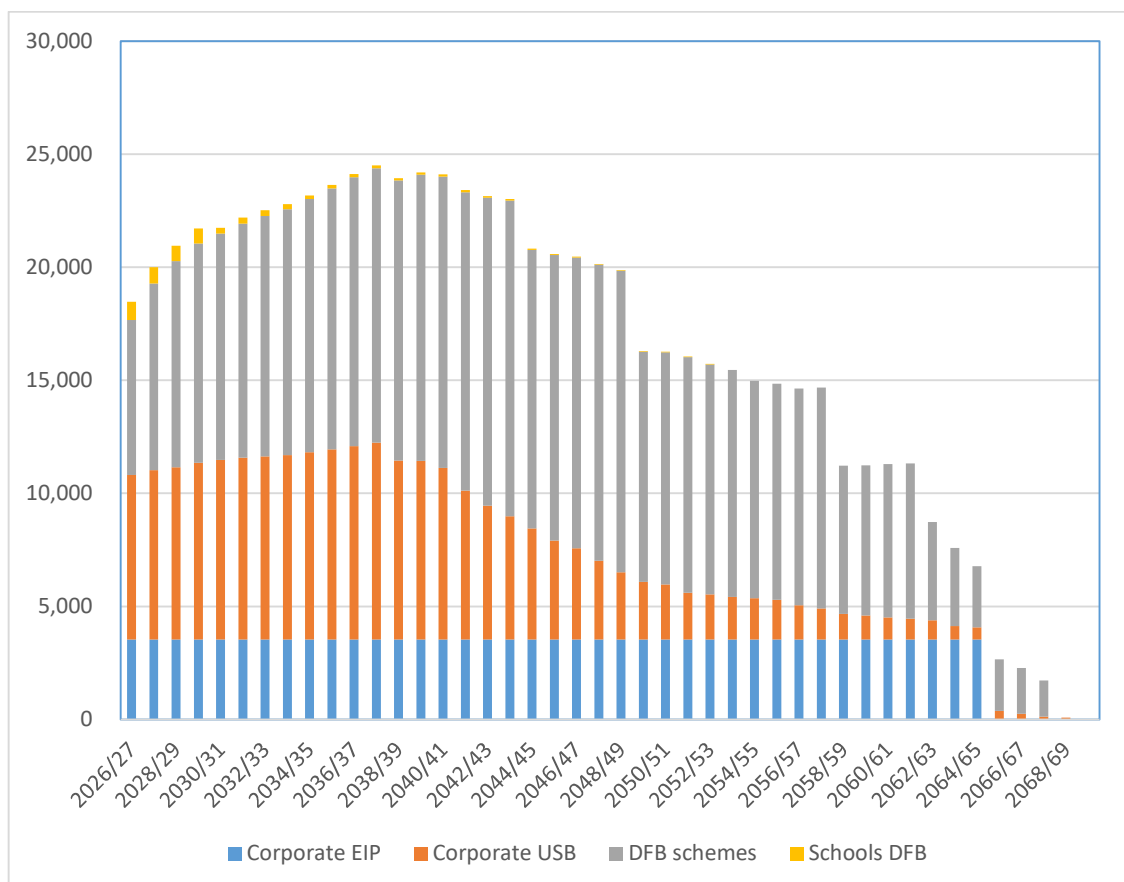
The table below illustrates the revenue implications of borrowing £10m to finance capital expenditure. The costs incurred include the interest charge on the amount borrowed, which is based on a Public Works Loan Board (PWLB) maturity loan, and the MRP charge where the borrowing is on an annuity basis per the council's MRP policy.

General Fund	PWLB Rates as at	Annual revenue cost
Term (years)	Jan 26	£000
Annuity (interest and principal)		
5	4.53%	2,280
10	4.83%	1,284
25	5.80%	767
40	5.97%	662
Maturity (interest only)		
5	4.76%	476
10	5.32%	532
25	5.95%	595
40	5.91%	591

3. Minimum Revenue Provision (MRP)

- a. Local Authority capital expenditure must be financed from capital funding, i.e. capital receipts, capital grants and capital contributions, or from revenue contributions. Capital expenditure not financed from capital funding or revenue within the year of spend remains unfinanced and is added to the council's capital financing requirement (CFR). Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 requires local authorities to calculate an amount of MRP (revenue) to put aside over time that is prudent to pay down their CFR. In doing so, Local Authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits, i.e. useful life of the asset.
- b. The following graph shows the council's annual MRP commitments for prudential borrowing, including, directly funded borrowing, corporately funded borrowing (relating to existing corporate borrowing and unsupported borrowing), and I&D schemes. MRP for directly funded borrowing and I&D schemes is on an annuity basis and therefore increases over the term of the repayments. The graph does not include prudential borrowing relating to the HRA (recharged to the HRA) or third-party loans (repaid by the third parties). The graph illustrates the amount of general fund revenue budget and term over which it is required to support previous and current capital expenditure plans.

Annual MRP Commitments for General Fund Prudential Borrowing



Annex B

1. Capital Investment Plans and links to the Council's Key Priorities

Stockport Council's strategic direction is set out within its council plan. Having been an annual plan up to 2023/24, the first three-year Stockport Council Plan was introduced in 2024/25. A light-touch refresh was undertaken for 2025/26 and a similar exercise was planned for 2026/27. The council took a decision however to undertake a more thorough review of the plan a year early. There were two factors underpinning this decision:

- Aligning the Council Plan more closely to the 'Five Big Things' set out in 'One Stockport, One Future's', [One Stockport Borough Plan](#). This is a multi-sector, multi-agency vision for Stockport.
- Aligning with the new multi-year local government finance settlement that covers the three years from April 2026 to March 2029.

The current plan, therefore, being reported for approval at Budget Council on 26 February 2026, is a three-year plan running from 1 April 2026 to 31 March 2029. It has been developed within the context of the multiagency vision for 2030 set out in the One Stockport Borough Plan and outlines the council's mission, vision, values and ambitions for the coming three years. Its key elements are summarised in the diagram below.

Essential services	Efficient and effective essential services				
Our 5 big things	Good jobs and homes	Best place to grow up	Best health and care	Thriving neighbourhoods	Clean, green transport
Cross-cutting themes	Fair and inclusive				
	Climate and Nature				
Enabling work	Workforce	Working with others	Radically digital	Delivering change	Spending wisely

The key areas of focus relating to each of the elements in the above are set out below:

Delivery of Efficient and Effective Services

Alongside the longer-term ambitions, the council must deliver good quality services on a day-to-day basis for the people of Stockport. The delivery of efficient and effective services is therefore at the very heart of the plan. Key areas of focus will be:

- Delivering efficient, effective and resilient essential services, alongside a greater focus on supporting people to live as independently as possible in their communities.
- Being a listening organisation that puts local people at the heart of what it does, routinely bringing in and responding to insight.
- Robustly reviewing data and performance to continually monitor performance and act quickly to address challenges.
- Effectively allocating and prioritising resources, so residents get the most out of the 'Stockport pound'. Allocating resources to reduce inequalities and support independence to achieve better outcomes for residents.

'Five Big Things'

The plan reflects One Stockport, One Future's 'Five Big Things' which are set out below, alongside the key areas of focus in the Council Plan that relate to each 'Big Thing'.

- **Good jobs and homes**
 - Delivering against the priorities of the One Stockport Economic Plan 2025-30.
 - Prioritising development of brownfield and previously developed land in the delivery of new ambitious housing projects, working with partners to unlock sites for new homes and bringing forward stalled developments.
 - Collaborating with partners to bring forward the amenities and social infrastructure to support creation of vibrant and sustainable neighbourhoods.
 - Seeking opportunities to deliver new specialist and supported homes to provide accessible, high-quality, and sustainable properties that enable independence, inclusion and positive outcomes for those who need it.
 - Implementing the council's Homelessness Strategy 2024-2026.
- **The best place to grow up**
 - Creating opportunities for children and young people to shape the future of Stockport, embedding participation and co-production as a golden thread.
 - Working together to give families the help they need when they need it, so children and young people are safe and supported by their family networks wherever possible.
 - Providing easy access to high-quality early years support for all 0-5 year olds and their families, helping to narrow inequalities and give every child the best start in life.
 - Creating excellent, inclusive schools across the borough, helping all children to achieve their potential.
 - Improving opportunities and outcomes for children and young people with special educational needs and disabilities (SEND) by providing timely, high-quality support. The council will also make SEND everyone's business by driving shared accountability across all council services and partners.
 - Providing all children and families with access to a clear and inclusive early help offer, reducing duplication and making support easy to navigate.

- Supporting children in care and care leavers so they have safe, stable and loving homes, and are equipped with the skills they need to live fulfilling, successful lives.
- **Best health and care**
 - Working with voluntary and community organisations and local people to provide early support, advice and help, and maximising independence in communities as part of Stockport's Live Well approach.
 - Leading Stockport's approach to reducing health inequalities through Stockport Live Well.
 - Being an age-friendly borough with homes and neighbourhoods designed for all stages of life.
 - Protecting, keeping safe and supporting residents with care and support needs, focussing on maximising independence and enabling people to live a 'Gloriously Ordinary Life'.
 - Supporting young people with care and support needs as they grow into adults through the council's new Preparing for Adulthood Strategy and action plan.
 - Ensuring safeguarding boards support us to deliver statutory safeguarding duties, with a focus on learning.
- **Thriving neighbourhoods**
 - Supporting and enabling communities to use their knowledge, skills and assets to connect and participate in their neighbourhood.
 - Joining up public services, working together alongside local people as a single team.
 - Working with partners to create vibrant, clean and safe places where people can socialise, make friends, and access a range of support, information, advice, culture and leisure facilities.
 - Becoming a digitally-enabled borough where technology helps people to live independently.
- **Clean Green Transport**
 - Bringing Metrolink to Stockport – connecting the Metrolink to Stockport and linking it to Stockport's railway station will relieve pressure on the city centre stations whilst also providing access to the Southern Gateway Hub.
 - Modernising Stockport Railway Station.
 - Improving Stockport's local rail stations.
 - Improving the Bee Network and facilitating a zero-emission bus network that connects all of the borough's neighbourhoods to encourage use of public transport.
 - Making walking and cycling more accessible and attractive for residents.
 - Working with third parties to increase the number of electric vehicle charging points across the borough that are available for public use.

Cross-cutting themes

There are two themes, set out in the Council Plan, as well as the One Stockport, One Future Borough Plan, that cut across all of those plans' priorities.

- Fair and inclusive: Stockport is a borough for everyone – a place where diversity and inclusion is celebrated, and everyone has equity of opportunity.

- Climate change and nature – creating a ‘greenprint’ for Stockport so it is a climate friendly place to live, work, play and invest.

The key areas of focus associated with these cross-cutting themes are set out below.

- **Fair and Inclusive Stockport**

- Ensuring the council’s equalities and anti-poverty work is rooted in the lived experience of people and communities across Stockport.
- Delivering against the council’s Equality and Anti-Poverty Objectives, including strengthening equality-based community networks and improving how it works through more inclusive service delivery, supporting and empowering its workforce and increasing diversity.
- Embedding best-practice on equalities and anti-poverty, and modelling good practice on fair and inclusive as a significant employer and anchor institution in Stockport.
- Working with partners and businesses across Stockport to demonstrate a visible commitment to a fair and inclusive approach.

- **Climate Action Now**

- Delivering a Climate and Nature Strategy 2025-30 focussing on low carbon buildings, renewable energy, sustainable transport and nature-based solutions.
- Embedding and mainstreaming climate action and resilience into how the council operates.
- Developing ways to assess and improve the impact that council services have on climate, nature and the health of residents.
- Collaborating with young people, communities and businesses to raise awareness, educate and act on climate change, working together to create a climate and nature friendly Stockport.
- Maximising opportunities to grow the green economy and make Stockport an attractive place for green investment and jobs.

Four enabling programmes

For the council to achieve its ambitions, it is vital that the right support is in place. This means having an engaged workforce, robust finances, a dynamic approach to change, good use of data and digital technology and strong communication. It’s also about working in partnership with local people, other public services, businesses and voluntary, community, faith & social enterprise (VCFSE) organisations. These enabling programmes, and their key areas of focus, are set out below.

- **Workforce**

- *Join us:* Creating a diverse and talented workforce.
- *Grow and thrive:* Making sure all colleagues have the rights skills and support
- *Belong here:* Focussing on Equality, Diversity and Inclusion.
- *Feel supported:* Helping to enable staff wellbeing and resilience.
- *Live our Values:* Thinking about Stockport first, achieving as a team, working with ambition and showing everyone respect.

- **Working with others**
 - Continuing to embed and deliver One Stockport, One Future.
 - Joining up and improving the approach to engagement, coproduction and communication. This was a significant focus during the previous Council Plan and will continue to be a key priority.
 - Working collaboratively with Greater Manchester neighbours and beyond.

- **Radically Digital**
 - Continuing the journey to be a digitally-enabled council by using data to better understand residents' needs and improve services; increasing transparency and sharing data across partners; improving digital confidence in the workforce and strengthening IT security.
 - Supporting digitally-enabled communities – reducing digital exclusion and helping people get online; supporting independence through digital tools and services; and increasing digital skills across the community.
 - Planning for the future and ensuring Stockport is a digital place – attracting and supporting digital and tech businesses to grow the local economy, supporting the expansion of modern digital infrastructure across the borough and using automation and smart technology to improve daily life and support climate goals

- **Delivering change and spending wisely**
 - Shaping the council's budget within a significant and challenging financial landscape due to the insufficient funding increases confirmed in the multi-year settlement.
 - Delivering change and spending wisely is key as the council continues to evolve its services to make sure they remain financially sustainable and continue to meet the needs of the people the council supports.

Review process

The Council Plan will be comprehensively reviewed in late 2028/early 2029 prior to the development and launch of the next three-year plan. In the intervening years however, "light touch" reviews of the plan will be undertaken to reflect progress to date and any significant changes to the plan's key areas of focus. Following this "light touch" review, as in previous years, the refreshed Council Plan will accompany the Budget Papers through Council governance in January and February. Progress on delivery of the Council Plan will be reflected within the development of the council's Portfolio Agreement and in its regular Portfolio Reports.

2. Future Capital Investment Plans

At the heart of the Borough Plan and its supporting strategies lies a commitment to inclusive growth and meaningful collaboration with our communities. This vision is reflected in the council's future capital investment plans, which aim to deliver sustainable, high-quality assets that support service delivery, regeneration, and climate goals.

a. Estate and Asset Management

The council's land and property portfolio is one of its most significant resources and, as such, must be managed and utilised effectively to maximise the benefits derived from its assets. This is crucial in supporting the council's priorities, particularly the cross-cutting goal of ensuring the right properties are in the right locations to support council services and partner agencies.

Estate and Asset Management will continue to critically assess and justify the retention of assets, while exploring alternative uses to meet local priorities. The council's portfolio must be fit for purpose, deliver value for money, and effectively support the service delivery needs of the council and its partner agencies.

Assets will normally be retained in the council's portfolio where: -

- The asset contributes to direct or indirect service delivery;
- The asset supports economic or physical regeneration;
- The asset provides value for money.

Capital investment in the portfolio is driven by:

- Operational requirements - to support service delivery and redesign;
- Invest to save - capital investment to mitigate revenue expenditure;
- Non-Discretionary Spend - capital spend to fulfil statutory or regulatory requirements.

The Asset Management Plan capital programme is also invested to achieve the savings identified in the Medium-Term Financial Plan. Throughout 2025/26 like 2024/25, the programme was affected by ongoing price inflation and general inflationary pressures. Additionally, the programme faced increased demands for remedial works across various areas, including children's homes, civic buildings, and listed properties.

In the 2026/27 budget year, our goal is to reduce the overall cost of the programme by focusing on scheduled planned preventative maintenance and planning within the Single Property Budget.

A program of condition surveys continues and will inform future investment decisions against the criteria outlined above. The program of condition surveys will identify the backlog maintenance across the operational portfolio and inform future investment. The condition surveys completed in 2025/26 and earlier are informing interventions ensuring these are targeted where most needed and being prioritised using the same criteria as the school's estate around four priorities: -

- Priority 1: Immediate need, pressing works, often health and safety concerns;
- Priority 2: Works required within three years
- Priority 3: Works that should be commissioned within five years
- Priority 4: Issues that must be addressed between five and ten years.

Capital investment is funded by corporate unsupported borrowing, supplemented by minor grant funding, capital receipts allocations and revenue contributions.

The council has committed to reduce its carbon emissions and achieve net zero in operations by 2030, this requires investment in the estate to contribute towards current and emerging targets. Heat decarbonisation surveys have been obtained for buildings prioritised by energy use and therefore emissions.

Coordination with other maintenance and refurbishment projects in the pipeline, awareness of the financial benefits of energy saving and taking opportunity of available grants means that buildings can be targeted for decarbonisation with efficient use of capital.

Over the last 5 years, £6m of grant funding has supported 33 decarbonisation and renewable projects on council buildings including improvement works on civic buildings and schools, a fully decarbonised primary school and more than 1 MW of installed solar PV capacity.

The proposed District Heat Network for Stockport has reached an important phase where a Developer is being procured who will take the project to final business case for approval. If viable, the Heat Network will be a major contributor to the council achieving its Net Zero targets. It will supply heat to, and decarbonise, the Civic Centre, Grand Central Life Leisure, Mottram Towers, Hollywood Towers and York Street residential blocks and other civic buildings en-route to stepping Hill Hospital. The project has received £1m of commercialisation funding and £13.65m of construction grant from the Green Heat Network Fund in support of its implementation.

Increasingly, as low carbon technology becomes more established and affordable, decarbonisation is considered in the design of improvement works and is built into project plans at the early stage. For new-build projects Net Zero in operation is the starting point for design.

The approach to decarbonisation will continue with plans based on the strategic priorities of the estate. These heat decarbonisation plans will inform future investment decisions and form the basis of further grant applications as and when they become available. The interventions together with other measures will contribute toward the council's ambition to build a climate friendly Stockport aiming for net zero by 2038.

The Town Centre Asset review is ongoing, with the Ministry of Justice now occupying ground floor of Fred Perry and Greater Manchester Police located on third floor. The occupation of both floors delivers revenue savings within the Single Property Budget, revenue income to the council and it also strengthens our partnership and collaborative working relationships with partner agencies and jointly delivers a strong and supportive Stockport. Further work is taking place to deliver future lettings within Fred Perry House.

In 2024/25, the relocation of Totally Local Company (TLC) services began to enable the development of Cheadle Eco Park. The Bird Hall Lane site has now been demolished, with construction scheduled to start in early 2026 and complete in 2027. Works at Adswold Depot commenced in early 2026 and are expected to finish later that year, ensuring TLC services are permanently relocated to Adswold within the 2026/27 timeframe.

Stockroom, located within Merseyway Shopping Centre, officially opened to the public in May 2025, Stockroom is converted vacant retail space into civic infrastructure, revitalising Merseyway and exemplifying adaptive reuse and placemaking within the town centre regeneration.

This new creative and cultural hub is a cornerstone of Stockport Council's broader £1 billion town centre regeneration plan. The project was funded through a successful bid to the Future High Street Funds, securing £14.460m of central government investment, with council contributing matched funding to bring the total capital commitment to £16.460m. Stockroom now delivers a diverse range of civic-cultural amenities:

- A modern town centre library
- Creative learning zones for children and advanced IT facilities
- Stockroom studios – flexible space for arts, culture and community events
- A café bar, heritage archive and exhibitions.

Stockroom will remain a dynamic, community-led cultural hub with year-round arts, exhibitions, and engagement, ensuring it evolves as a vibrant civic asset at the heart of Stockport's regeneration.

There has been a recent increase in demand for the use and maintenance of historic buildings within the borough. In response, we are actively exploring maintenance programs and refurbishment opportunities to repurpose and revitalise these buildings, as current costs exceed the available budgets. Our approach focuses on preserving and enlivening these structures by securing grant funding contribution wherever possible.

In 2026/27, we will continue to conduct a comprehensive review of the roofing and overall maintenance of the Town Hall. While small-scale remedial works have been completed over the years to alleviate financial pressures on the Single Property Budget and Asset Management Plan, it is now necessary to develop a long-term strategy. This will ensure the building is utilised to its full potential and avoids any disruption to the services operating within it.

In March 2024, the council successfully secured a £1.6m grant from the MEND to re-roof the Grade I-listed Bramall Hall. Works commenced early 2025, with a completion date set for August 2026. Re-roofing has been carried out over three phases, with Phase 1 now complete. Each phase has been fully scaffolded with additional tenting to protect the building and its collections. This will include essential preservation measures for the wall paintings, which are of international significance.

In August 2025, we were successful in an EOI to bid for further grant funding for Bramall Hall. The bid submitted would enable the council to rewire the building, replacing potentially dangerous copper wiring and replace the existing heating system with air source heat pumps assisting with the council's net zero commitments. A full bid with design up to RIBA stage 3 has been submitted and successful bidders will be notified in March 2026. It is anticipated if the council obtains the grant funding that works could commence from October 2026 once procurement has been completed.

In April 2022, Department for Digital, Culture, Media and Sport awarded £2.634m via Arts Council England to deliver the Stockport Creative Campus (SCC) as one of the CDF Round 2 schemes. The project is a partnership between Stockport Council, Madlab, Manchester Metropolitan University, Future Everything, and IN4. The focus from a capital programme point of view is the delivery of a new creative campus building and the centre

of the SCC within 18 - 19 Market Place, design has been completed and procurement is currently underway to appoint a contractor with works due to commence early spring 2026.

In 2026/27, the council will continue asset reviews to identify opportunities for improving portfolio performance. This will include advancing hybrid working across corporate buildings and exploring income generation through co-location with partner agencies.

b. Schools Estate Capital Strategy

The School Estate Capital Strategy comes under the umbrella of Estate and Asset Management, which allows us to consider how we use land, building and spaces available within the borough collectively and is reviewed by the School Place Planning Board that ensures the investment plans are in line with School Sufficiency Investment.

Plan priorities (as were presented to Cabinet in December 2025).

School capital projects are funded from different streams:

- Basic Need (BN) funding from central government for school places in the local authority.
- Schools Capital Allocation (SCA) from central government for maintaining the estate (Condition Need).
- High Needs Capital Grant allocation is periodically made from central government for special education needs and disabilities (SEND) investment.
- School Rebuilding Programme. Periodically allocated funding for specific schools.
- Other one-off grants, such as the Public Sector Decarbonisation Scheme (PSDS).
- School Contributions for maintenance projects and Local Borrowing for centrally funded schemes as required and approved by Cabinet.

The School Sufficiency Investment Plan (SSIP) describes the objective of investment in schools. The SSIP aims to secure an education estate that provides a safe, accessible, secure, and stimulating learning environment, which is sustainable and provides value for money, is fit for current and future needs and reduces environmental impact.

The capital programme is structured according to the three pillars of the SSIP: School Place Planning, Capital investment in Condition, Education improvement and Inclusion. Where possible, investment is intended to be holistic, with as many identified needs to be dealt with at each school in a single project encompassing fabric, energy performance and building systems. This will deliver economies of scale and the potential for improved value for money.

The School Place Planning team identifies long term capacity needs from pupil data and Stockport planning and development policy and forecasts.

The current situation is that there is place pressure forecast in the Secondary Planning Area across the borough over the next five years. There is currently £5m allocated in the capital programme to address further capacity issues.

Capital investment in condition is driven by data condition surveys. These will continue on a five - year rolling programme. Outcomes are expressed as a series of priorities:

- Priority 1: Immediate need, pressing works, often health and safety concerns;
- Priority 2: Works required within three years;
- Priority 3: Works that should be commissioned within five years; and,

- Priority 4: Issues that will need to be addressed between five and ten years.

The School Estate has a backlog of around £121m condition capital need identified from the rolling programme of condition surveys. This could be as high as £240m if the replacement or repaired estate is to provide a modern learning environment and meet new building regulations and rising building indices since the assessments were made. The condition backlog continues to grow despite several schools converting to Academy status within the previous 12 months. Due to budget constraints, the council focuses on roofing, mechanical and electrical schemes. Of the £121m backlog, approximately £65m relates to the latter and the remaining £56m includes redecoration, general maintenance and low-level cost capital works that schools are responsible for.

The local authorities capital plan for 2026/27 is for approximately £6.2m investment in condition.

The principal impact of the Education Improvement and Inclusion strategy on capital investment is through the implementation of the SEND strategy. Growth in demand for special school places is forecast over the next five years in both the primary and secondary sector. Delivery of the new and expanded Lisburne Special School and Pear Tree Special School has picked up a proportion of the demand.

In order to address more of the demand, the development of the SEND support offer in Stockport includes a need to provide specialist places within the school estate locally. Thus protecting the use of special school places for the most complex pupils. The provision of local specialist places within the existing school estate will need additional resource bases in the Primary and Secondary Phase.

Marple and Priestnall Secondary Schools successfully opened a resource class in both September 2022 and September 2023, and further works are underway to expand the provision at these sites. In 2025, we also opened a resource class at both St Paul's CE and St Bernardette's Primary Schools. In addition, a number of Royal Institute of British Architects (RIBA) stage 1 studies will be commissioned on other schools and these studies will then be considered in the development of projects for future years' programmes.

The Prime Minister announced the School Rebuilding Programme (SRP) in June 2020. It follows on from phase one and two of the Priority School Building Programme (PSBP) which has benefitted schools in Stockport. The SRP will carry out major rebuilding and refurbishment projects at 500 schools and sixth form colleges in England over the next decade. There are currently 400 schools in the programme which include Thorn Grove Primary School and Moorfield Primary School. DfE engagement commenced in September 2022 regarding Thorn Grove and it is anticipated that construction work will begin in spring 2026 with estimated completion in summer 2027. With respect to Moorfield, DfE engagement began in March 2024, with construction completion scheduled for approximately March 2028. Following the discovery of RAAC, the decision was made to also include Bramhall High School and St Thomas CE Primary School within the programme. Bramhall High School is scheduled to commence on site in Summer 2026 with an estimated completion of Summer 2028. Engagement has not yet commenced with the DfE in regard to St Thomas CE Primary School.

The requirements of Stockport Climate Action Now (CAN) strategy will add pressure to the school capital demand and as such is being included at early stages of design and

planning to enable well-informed decisions to be made. Advantage will be taken for grant supported capital investment in decarbonisation as they become available.

£1.1m of carbon-reduction interventions on schools funded by the Public Sector Decarbonisation Scheme (PSDS) was completed in 2022. An additional PSDS grant of £0.4m has supported the current Dial Park Primary project (2022/23 SE AMP) to insulate the school and fully decarbonise the heating system. This was completed in summer 2024. The last stage of this work will be to install solar PV on the school.

Solar installations at Banks Lane Infant School, Banks Lane Junior School, Ladybridge Primary School, Westmorland Primary School and Bramhall High School were completed in summer 2023. The projects were 46% grant funded by the Unlocking Green Energy in Greater Manchester (UGEEM) programme and the European Regional Development Fund (ERDF). The solar projects have an expected annual generation of 350 MWh, the equivalent annual consumption of 122 typical households (OFGEN). Further solar projects are being developed through the “Powering our Schools” initiative which is coordinated by Greater Manchester Combined Authority and currently involves eight schools who are considering installing solar panels.

The combined maintained School Estate represents around 30% of all building carbon emissions for the council. There is therefore a significant challenge to decarbonise the estate in line with the Stockport Climate and Nature Strategy. We will continue to work on delivering improved carbon performance from planned condition work and taking advantage of grant opportunities to enhance that work with specific interventions in fabric, low carbon heating and renewable energy and to ensure that immediate condition work is compatible with future decarbonisation interventions.

In 2023, Heat Decarbonisation Feasibility studies were completed on three schools, Cale Green Primary School, Marple Hall High School and Bramhall High School. These studies help us understand the technical and financial challenges of the specific schools studied and along with the learning from work already completed, enable a wider estimate to be made of the impact across the whole school estate.

From an implementation viewpoint there are two key factors, deliverability and value-for-money. Deliverability is a function of project preparedness and funding. Intelligence around school condition and school place planning supports the planning and prioritisation of projects. Tranches of Government funding for major work can become available at short notice. It is important that the council is ready to act when the necessity arrives and have projects that are moving towards being “shovel-ready”. Value for money is achieved by ensuring that projects are prioritised in line with the principles of the SSIP. It is possible to batch schemes together where an individual school requires a variety of projects or where several schools require projects of the same discipline. Similarly, where issues of condition need and capacity exist, projects are designed to address both issues as far as possible. Full consideration will also be given to additional opportunities through one-off grants or bidding processes, which assist in the improvement of the schools’ estate with full review of the use of former school sites whether through disposal or re-use for education or other purposes. Solar thermal installations are included where other heating systems are being upgraded.

c. Transportation Capital Strategy

The One Stockport Transportation Capital Strategy is designed to ensure that Stockport’s ambitions, as set out in the One Stockport Borough Plan, are supported by a modern, integrated transport infrastructure. The strategy aims to deliver accessible, active, and

reliable travel options for all residents. It is informed by a range of key documents, including the One Stockport Borough Plan, the Greater Manchester 2040 Transport Strategy, the Greater Manchester Delivery Plan, the Stockport Local Implementation Plan, Stockport's Transport Plan, and the Climate Action Now Strategy. Together, these provide a strategic framework for transport priorities through to 2040.

Stockport Council works closely with Transport for Greater Manchester (TfGM), which provides strategic oversight and leads on the public transport elements of the Bee Network—managing tram and bus networks and collaborating with partners on rail integration. Since 2024, TfGM officers have been leading a review and update of the Greater Manchester Local Transport Strategy and Plan, with Stockport Council officers actively contributing to this process. In parallel, Stockport Council is developing a new Local Transport Strategy and detailed action plan, which will inform updates to the Stockport Local Implementation Plan and the development of neighbourhood transport plans.

These strategies set out a comprehensive approach for developing a modern transport system and maintaining the existing network for all modes of travel. They recognise that a multi-modal approach is essential to address local transport challenges but also emphasise the need for a shift towards public and active travel to meet climate objectives. Key priorities for transport improvements are identified up to 2040.

The Greater Manchester Delivery Plan highlights major schemes that can be delivered or developed in the next five years, subject to funding, as well as longer-term aspirations for strategic projects requiring further development and business case approval. The Greater Manchester 2040 Transport Strategy provides the overarching context for all Greater Manchester authorities and supports the wider Greater Manchester Strategy.

Importantly, in December 2025, the draft Greater Manchester Transport Strategy 2050 and associated Delivery Plan (2027–2037) were launched for public consultation. This marks a significant step in shaping the long-term vision for transport across the city region, and Stockport Council will ensure its local strategies align with these emerging regional priorities.

These documents have also supported the development of the new Stockport Local Plan, for which the Regulation 18 consultation has now been completed. Feedback from this consultation will inform the next stages of the Local Plan's preparation.

The new Stockport Local Transport Plan incorporates key council priorities including One Stockport, Stockport CAN, Active Communities Strategy, Economic Plan, Housing Plan and the emerging Local Plan requirements and is in accordance with wider regional strategies. The use and management of transportation networks support the delivery of key council strategies and plans including the Borough Plan, Economic and Regeneration, Climate Change, Active Communities, Conservation and Heritage priorities.

The highway, including carriageway, footways, cycle routes and public rights of way is the council's largest asset, and the council has various duties to maintain the highway and support its safe usage. Transportation networks are used by all residents and businesses to allow people to live, work, undertake leisure activities and services in the area. The highway network is also utilised by statutory undertakers to carry their services including gas, water, electricity, sewage, and fibre optic cables. The highway network is a

significant asset for the council and is managed utilising an asset management approach under the strategic direction of the Transportation Asset Management Plan.

The highway assets include carriageways, footways, highway structures, streetlights, highway drainage and culverts, signs, and street furniture. This plan includes highways but also extends to cemeteries, parks and other assets under the control of Neighbourhood Services, car park maintenance and our duties to produce emergency plans and maintain our reservoir assets.

For each type of asset there are detailed inspection regimes and data is held on the assets allowing prioritised programmes to be developed in accordance with local policies under the guidance of the Well Maintained Highways document. Each type of asset has its own prioritised programme, and these are integrated and programmed to maximise their efficiency and effectiveness. Future maintenance programmes will focus on key routes and safety priorities.

The Rights of Way Improvement Plan provides the strategic framework along with Well Maintained Highways guidance and local policies for the maintenance and improvement of public rights of way.

The council has funded a Street Lighting and Illuminated Infrastructure Improvement programme to convert existing streetlights to LED, which is close to completion, with work continuing into 2026 focussing on replacing illuminated signs and the more complex lighting schemes. This is an invest to save programme, financed using directly funded borrowing, and is delivering significant reductions in energy costs, plus a reduced maintenance burden.

The above strategic background provides the policy base for maintenance programmes and priorities. However, the current sub-regional funding and governance arrangements mean that Stockport is largely required to plan on a year-on-year basis rather than through a fixed multi-year programme. This approach reflects the way resources are allocated across Greater Manchester and the need to remain responsive to annual funding settlements and regional prioritisation. Capital funding for transportation asset management comes via specific council investment funded by prudential borrowing, e.g. Street Lighting programmes, and a capital grant which is part needs-based and part based on the council's performance of the asset management approach. In recent years, the council has been awarded pothole funding both as an ongoing programme and as additional amounts through the year and this funding is utilised to support known maintenance priorities and expand existing programmes. The capital grant and pothole funding allocation has now been included in the City Region Sustainable Transport Settlement (CRSTS), which has been allocated to Greater Manchester Combined Authority for the next five years.

In addition, the council has bid for specific funding for more major maintenance schemes including the Greek Street bridge -approximately £1m contribution towards the Network Rail funded scheme. The work to replace Greek Street bridge was undertaken in 25/26. This structure required replacement and the council has to provide a contribution for a like-for-like replacement or for any improvements requested as part of that process. This major maintenance funding is also going to be utilised to replace Queens Road bridge during 26/27.

The council also has a flood risk management strategic function and is working to implement the council's Flood Risk Management Strategy. Stockport has suffered

significant local flooding in recent years, and this has resulted in short term flood damage repair programmes being developed and funded by revenue reserves. Partnership working remains central, with ongoing studies in collaboration with the Environment Agency and United Utilities (including Poise Brook), and practical projects with the Mersey Rivers Trust such as the installation of leaky dams for natural flood management. Cheadle and Stockport town centre have been identified as priority areas for further study continuing in 2026, with a strong focus on integrated water management for new developments. The council continues to seek external capital funding to support major flood risk projects.

TfGM manages and maintains the bus shelters and traffic signals on the network and the council works closely with them regarding the improvement and maintenance of these assets including the new interchange, park, cycle ramp and bridgescape that opened in 2024. Stockport has been allocated funding under the CRSTS programme to improve a number of bus stops to improve accessibility and the lines and signs around other existing bus stops to ensure buses can easily access the stops.

Network Rail and various rail providers manage rail stations and some of the bridges over railways within the area. The council is working with TfGM, Network Rail and Avanti, the rail company managing Stockport rail station, to bring forward a major regeneration scheme at Stockport rail station as part of the rail station masterplan. Council officers are working closely with The Mayoral Development Corporation - Town Centre West, who are supportive of both the rail station vision and the new Transport Interchange. Stockport Council is also working with TfGM to look at funding accessible improvements to stations. This is a long-term programme but improvements at both Reddish North and Rose Hill stations have been identified for early delivery with schemes for Bredbury and Woodley rail stations also being developed.

A proposed rail station at Cheadle and a package of pedestrian and cycle improvements has been included within the Cheadle Towns Fund bid which was approved in 2022. Work has been completed on the pedestrian and cycle package and planning permission has been granted for the railway station, with work continuing with the rail industry to achieve support for the timetable.

It needs to be recognised that pressures and conflicts between users on the transport network are increasing in an environment where resources have suffered sustained reductions. We meet regularly with the various stakeholder groups to balance their needs with both corporate objectives and statutory responsibilities. Strategically proposed key major transport improvements have been identified in the Greater Manchester Delivery Plan and the Stockport Local Transport Plan, with the Stockport Local Investment Plan providing more detail on smaller interventions to identify and prioritise more minor local improvements. In addition, the draft Greater Manchester Transport Strategy 2050 and associated Delivery Plan (2027–2037) are currently out to public consultation. These documents will set the long-term regional framework for investment and delivery and will inform future iterations of Stockport's priorities and programmes.

As part of the '5 Big Things' proposal for Stockport, key activities around the delivery of improved rail stations, advancement of Metrolink and improvement of routes to our key economic areas will be coming forward in 2025/26. This aligns with recent national announcements, including the Government's renewed commitment to extending Metrolink to Stockport and its confirmation of Northern Powerhouse Rail proposals, which strengthen the long-term case for enhanced rail connectivity across the borough and the wider city region.

Recent major improvement schemes within Stockport include:

- A555, which was opened in 2018 (however significant work remains to be done on resolving land and compensation claims) In addition remedial drainage improvement schemes will be undertaken in 2026/27.
- Poynton Relief Road which is part in Stockport but is being promoted and delivered by Cheshire East was completed in 2023.

In 2021, the Government announced a new transportation capital fund the City Region Sustainable Transport Settlement (CRSTS), which has been allocated to Greater Manchester Combined Authority for the next five years. This fund includes capital funding for maintenance, and minor and major improvement schemes for the next five years. The bid document was submitted in autumn 2021 with Greater Manchester receiving a £1.07 billion allocation, which includes development funding for Metrolink schemes and bus priority schemes.

Stockport's priorities for funding included within the bid were development of Metrolink to Stockport, tram train to the airport including the replacement of Greek Street bridge, regeneration of Stockport Station, a pedestrian/ cycle ramp for the new interchange to link the park to the riverside, and Streets for All schemes including Hempshaw Lane final phase, A6/ School Lane/ Manchester Road Improvement scheme, Town Centre West Access and Improvement Package and Woodley to Bredbury Access Improvement scheme. These schemes are being progressed through Strategic Outline Business Case and Final Outline Business Case towards delivery with delivery commencing in 2025 for all these schemes.

The Government has announced there will be a CRSTS2 funding package, which may be significantly greater than CRST1 but more details are awaited. Stockport is in discussions with TfGM and other local authorities regarding the Integrated Transport Block being redistributed back to the local authorities rather than continuing to stay at TfGM to support delivery of minor schemes in accordance with the 2040 Strategy and any incoming Stockport Local Transport Strategy. We are anticipating continued disbursements from CRSTS Round 1 until 2026/27 and a requirement for us to feed into the programme for CRSTS2, which starts in 2026/27, but needs to start being developed now. It is anticipated that some funding may be allocated to local authorities annually for the next few years. Importantly, the draft Greater Manchester Transport Strategy 2050 and associated Delivery Plan (2027–2037) are currently out to public consultation. These documents will set the long-term regional framework for investment and delivery and will inform the criteria and priorities for future funding programmes such as CRSTS2. Funding for local improvement schemes is typically made available through specific bidding criteria and often short-lived programmes, so early engagement and alignment with regional strategy will be essential.

Stockport Council has 14 schemes that have been accepted into the Mayoral Walking and Cycling Challenge fund programme and the majority of these have been developed or delivered with just some monitoring and activation activities to complete with Interchange and Mersey Square still to be completed. Recent years have seen the completion of key projects such as the new Stockport Interchange (opened March 2024), upgrades in the Heaton, Ladybrook Valley, Romiley, and Heaton Moor, and a range of new crossings and improved routes. These schemes have been supported by funding from Active Travel Fund tranches 3, 4, and 5, with further improvements planned and in delivery, including the Hempshaw Lane and Woodley to Bredbury Parkway schemes funded through the City Region Sustainable Transport Settlement (CRSTS).

Transport for the North has identified a Major Road Network including the A34, A560 and A6 in Stockport and has identified a regional prioritised list of schemes for delivery including an A34 package. The Government responded in 2020 and offered funding towards developing the Outline Business Case for this package and this was submitted to Government in summer 2021 for approximately £40m. The A34 MRN scheme received funding confirmation in December 2023 and the scheme delivery commenced in 2024 with programme continuing in 2025 until 2028.

As part of the commitment to CAN the council is working with partners to create public electric vehicle charging facilities across the area. Initially TfGM was bidding for funding and supporting the network development, but councils were encouraged to develop more facilities, so Stockport Council is partnering with a private company who are investing in EV charging points in local carparks. The council as part of GM is also bidding for funding to support on street charging points for areas with limited individual off road parking.

d. Housing Revenue Account (HRA) and Affordable Housing

Housing Revenue Account (HRA) and Affordable Housing HRA Asset Management

A thirty-year Asset Management Strategy sets a framework by which current and future capital investment decisions are made. The strategy also sets out year-by-year investment to ensure the housing stock not only maintains a lettable standard but goes beyond those standards with enhanced improvements such as low carbon technology and high-levels of thermal insulation. Programmes of batched works are aimed at high-impact results which incorporate related works to achieve efficiency savings.

Funding for the thirty-year strategy is modelled within the HRA business plan, with £94.9m currently allocated from 2026-2031. A focus of the Asset Management Strategy is to ensure continued compliance with the Decent Homes Standard as well as associated statutory housing obligations. Capital programmes spanning 2026 to 2031 will deliver improvements in the following key areas: fire protection and building safety; a range of property component replacements such as new roofing replacements, heating upgrades, kitchens and bathrooms; and the management of asbestos, legionella, gas and electrical safety.

Council (HRA) Development

An additional 32 new homes are currently being built in the HRA. The total remaining long-term borrowing required to deliver these new homes is currently forecast at £4.0m. This development will have enabled £2.7m of capital grant funding from Homes England to be brought into the HRA.

In addition, there are a number of future pipeline schemes to deliver more new homes. A report on HRA new housing development schemes was approved by Cabinet (Housing) Committee on 11 February 2026. These schemes will deliver 202 new homes in four new housing developments, London Road Extra Care, Romiley Liberal Club, Sunfield and Andrew Street phase 2. The scheme will add circa £57m to the capital programme over the next three years, which includes £24m of Homes England and Brownfield grant funding, and the schemes have been added to the 2026/27 capital programme to include this substantial scheme.

Stockport Homes (SHL) Development

SHL has a rolling loan facility with the council with a cap of £91.9m for the delivery of new build housing. There are currently no schemes in progress for 2026-27 as all pipeline schemes are being delivered via the HRA. The development borrowing headroom available within SHL is £27.5m at the end of March 2026.

e. Capital Strategy – Development and Regeneration

The council's role as a strategic investor remains pivotal to shaping the future of the town centre. Targeted interventions have played a catalytic role in strengthening market confidence and accelerating private-sector investment. Direct council investment has been instrumental in securing significant external funding, including allocations from the Future High Streets Fund, Get Building Fund, Housing Infrastructure Fund and the Brownfield Housing Fund. These interventions have also leveraged major private investment from partners such as Muse Developments, Cityheart, Rise Homes, English Cities Fund and Capital & Centric.

Programme delivery continues to be managed through the Investment and Development Account, providing a flexible, portfolio-based mechanism for deploying and recycling capital to maximise regeneration impact. The programme is supported through a blend of prudential borrowing and external grant funding, and as the asset portfolio matures the council will gain increased flexibility to realise capital receipts to support reinvestment in new schemes. Investment decisions are made on a thorough understanding of commercial viability and return-on-investment modelling to ensure the development programme does not put additional pressure on the General Fund.

The council continues to work closely with GMCA, Homes England and other partners to secure further investment in line with the Mayoral Development Corporation (MDC) Investment Framework. The £100m MDC Investment Facility, approved by Cabinet in 2019, has played a central role in enabling major schemes such as Weir Mill, Stockport 8 and the Interchange. As schemes complete it is anticipated that initial repayments will begin to flow back into the facility allowing these resources to be recycled into future regeneration opportunities.

In 2026, the MDC will extend its boundary to become the delivery vehicle responsible for overseeing the town centre housing delivery targets. This expanded remit will support the ambition to deliver around 8,000 new homes over the next 15 years. Ensuring a strong supply of development opportunities and maintaining momentum across existing projects will be critical to attracting further external funding and sustaining investor confidence. The capital strategy must therefore remain flexible and responsive, enabling the council to capitalise on emerging opportunities as they arise and maintain a credible, deliverable regeneration pipeline.

A key illustration of this approach is the council's partnership with the English Cities Fund (ECF) to deliver Stockport 8. The council assembled this eight-acre site using the MDC investment facility and has since secured a hybrid planning consent. The joint venture structure enables both risk-sharing and future profit-share on disposal. Stockport 8 will deliver a new, digitally-enabled, walkable neighbourhood of more than 1,300 homes adjacent to Stockport Interchange and Weir Mill, forming a central part of the MDC's vision for Greater Manchester's most sustainable and liveable urban centre.

The council's strong delivery record has also underpinned recent success in securing substantial funding from the newly launched GMCA Good Growth Fund. In the first

bidding round, the Stockport 8 joint venture secured £40m helping to bridge viability gaps on this major brownfield development. A further £20m was secured for a private-sector scheme at Fletcher Street promoted on council-owned land, supported by Stockport’s proven track record in delivering regeneration outcomes. These funding allocations are vital in enabling complex urban sites to progress in challenging market conditions.

Over the past 10 years, the council has delivered a wide range of major projects, several of which—including the Interchange apartments, Merseyway public realm and further phases of Stockport Exchange—are now reaching completion. These schemes strengthen the portfolio, support income resilience and underpin the long-term sustainability of the regeneration programme.

An outline of existing commitments and emerging proposals indicates an estimated capital investment requirement of approximately £42.9m. This includes the programme of activity within the MDC area and wider town centre, alongside schemes aligned to the emerging Local Plan and the borough’s ambition to deliver more town-centre living.

Long-term regeneration inherently carries risk and may take long periods of time before any financial return is realised. The council’s business case governance, strong partnerships and portfolio-based investment model provide a robust framework for managing financial exposure and maximising regeneration outcomes. Maintaining a flexible and responsive capital strategy will be essential to supporting the expanded MDC remit, unlocking new funding opportunities, progressing the next wave of development sites and sustaining the momentum of Stockport’s regeneration trajectory.

Scheme	Investment Proposition	Potential Funding Source	Type of Investment
Merseyway Redevelopment	Property acquisitions within the centre and redevelopment works to improve the centre’s viability.	Directly Funded Borrowing (DFB) and External Grant Funding (Future High Streets Fund)	Value Protection / I&D
Mayoral Development Corporation Investment Facility	Strategic site acquisition to accelerate development in Town Centre West including:	DFB / External Funding (e.g. Homes England)	I&D
	Weir Mill	DFB / External Funding (Homes England grant)	
	Stockport 8	DFB /Third Party Private Sector Funding and External Grant Funding (TBC)	
Town Centre East SRF	Intervention to unlock residential development (including site	DFB / External Funding (e.g. Homes England)	I&D

Scheme	Investment Proposition	Potential Funding Source	Type of Investment
	acquisition and gap funding)		
St Thomas' Gardens	Redevelopment of a Grade II listed Town Centre site to provide affordable housing and intermediate care facilities	DFB	I&D
Market Place & Underbanks	Targeted investment to accelerate the regeneration of the historic quarter of the Town Centre	DFB / Townscape Heritage Fund	I&D