

**MRWA TREASURY CAPITAL STRATEGY 2026-27 TO 2030-31****WDA/05/26****Recommendation**

That the Authority approves:

- i) The Capital Strategy for 2026-27 to 2030-31 at Appendix 1 of this report including the proposed Capital Programme for 2026/27 and indicative programme for 2027/28 to 2030/31 as contained within the Capital Strategy and summarised in Section 4 of this report
- ii) The Minimum Revenue Provision (MRP) Policy Statement 2026/27 included at Annex 2 to the Capital Strategy.

THIS PAGE INTENTIONALLY BLANK

**MRWA TREASURY CAPITAL STRATEGY 2026-27 TO 2030-31**  
**WDA/05/26**

**Report of the Director of Finance**

**1 Purpose of the Report**

- 1.1 The Capital Strategy sets out a summary for Members of how the Authority's Corporate Plan objectives are supported by the assets it deploys; whether those assets need to be changed or improved; how the assets are managed and maintained; what finances are used to provide the support to assets and where those finances come from.
- 1.2 The overarching aim of the Capital Strategy is to provide a framework within which the Authority's capital investment plans will be delivered over a five-year timeframe, 2026/27 to 2030/31, but as advised above, the format and content of the Capital Strategy reflects the requirements of the latest guidance issued by CIPFA as part of the Prudential and Treasury Management Codes.

**2 Background**

- 2.1 This strategy is set in the context of the draft Corporate Plan that is presented for approval by the Authority. The Priority Areas, which are the focus of the Authority's activities, and which capture the works we are engaged with to promote a Zero Waste strategic approach are as follows:
  - **Deliver our statutory and contractual duties**
  - **Develop new and improved services**
  - **Ensure the highest standards of governance and performance**
  - **Develop and implement our Zero Waste Strategy 2040**
  - **Educate and influence behaviour change**
- 2.2 The strategy is also heavily influenced by the Authority's Future Waste Services (FWS) procurement which will determine how the waste management and recycling services will be delivered when the current Veolia contract expires in May 2029.

**3 Current Position**

- 3.1 The capital programme for 2025-26 at £4.3m is significantly increased from previous years. The programme includes:
  - £2.2m to further support the development of facilities to receive food waste delivered by district councils to each of the Authority's Waste Transfer Stations.
  - £1.5m in respect of improvements to the Authority's two MRFs to help meet the requirements of Simpler Recycling, of which £0.5m is now rephased into 2026/27.
- 3.2 All aspects of the forward capital programme would be funded through the Prudential Borrowing framework.

- 3.3 An Annual Review of the Capital Programme was completed and subsequently approved by SLT and then approved by the Authority as part of the Month 6 monitoring report at its meeting of 21 November 2025. This review incorporated discussions with SLT and service managers to determine an updated profile of expenditure for all schemes.
- 3.4 The outcome of this review was that an additional £1.5m was included in respect of works required to facilitate the processing of Additional Materials from April 2026. This work is to be undertaken in the latter quarter of 2025/26 and the first quarter of 2026/27.

#### **4 Capital Programme 2026/27**

- 4.1 Minimal expenditure (c. £0.1.4m in total which includes the £0.5m for Additional Materials identified above)) is forecast for the three years from 2026/27 through to 2028/29, prior to the commencement of FWS works.
- 4.2 The financial implications in respect of the investment required as part of the FWS procurement are incorporated as part of the Authority's Medium Term Financial Strategy (MTFS) presented for approval at this meeting.
- 4.3 All aspects of the forward capital programme would be funded through the Prudential Borrowing framework. The treasury management and the revenue implications are included within the Capital Strategy included at Appendix 1.

#### **5 Risk Implications**

- 5.1 There are considerable risks to the security of the Authority's resources if the capital programme is not managed and monitored effectively. The Authority must therefore have robust measures in place to evaluate prospective capital projects and ensure that approved projects are managed and monitored effectively.
- 5.2 The following risk assessment has been made:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Unaffordability debt servicing costs arise as a result of poor decisions	1	4	4	For each key decision, rigorous assessment of the financial implications.

#### **6 HR Implications**

- 6.1 There are no HR implications

#### **7 Environmental Implications**

- 7.1 There are no environmental implications

#### **8 Financial Implications**

8.1 The financial implications are set out in the body of the report and at Appendix 1.

## **9 Legal Implications**

9.1 The legal requirement for reporting to Members on the position of the Authority in respect of its Prudential Indicators is met through this report.

## **10 Conclusion**

10.1 The report identifies the capital programme for 2026/27 and the capital strategy covering the period of the MTFS.

## **Appendices**

The appendices to this report are:

Appendix 1: Capital Strategy

The contact officer for this report is: Chris Kelsall  
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: [chris.kelsall@merseysidewda.gov.uk](mailto:chris.kelsall@merseysidewda.gov.uk)

Tel: 0151 255 2542

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.