
CABINET

Subject Heading:

1st Quarter Revenue and Capital Monitoring Report 2024/25

Cabinet Member:

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ELT Lead:

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Policy context:

The report provides an update on the revenue and Capital monitoring position of the Council at 30th June 2024

Financial summary:

This report includes:

- Background to the 24/25 revenue budget
- Analysis of Service budget monitoring position and associated risks
- Update on savings delivery for 2024/25
- Capital 1st quarter position for 24/25

Is this a Key Decision?

No

1. Executive Summary

- 1.1. This Report sets out the period 3 revenue and capital monitoring position for the Council and includes commentary on the variances to budget by service. The report also includes an update on corporate items and progress on delivery of savings. The report has a section on the progress on the capital programme as at 30th June 2024

2. RECOMMENDATIONS

- 2.1. Councillors are asked to note the revenue monitoring position for the Council and the financing of the overspend (section 8 of the report)
- 2.2. Councillors are asked to note the Capital monitoring position for 24/25 as set out in section 9 of this report
- 2.3. Councillors are asked to note the progress towards delivery of the 2024/25 savings as set out in section 6.4 of this report

3. BACKGROUND

- 3.1. The Council has faced significant financial challenges over the last few years caused by a combination of underfunding from Central Government and rapidly increasing demographic demand. Havering is an efficient Council with low unit costs in comparison to its neighbours and has a proven track record of setting balanced budgets over many years.
- 3.2. Havering has always had a large proportion of older people in its population but in recent years has also had the 4th fastest growing child population in the country. This has placed increased pressures on the Social Care budgets both through sharply increasing unit costs but also an increase in the number of LAC children the Council has a statutory duty to support. At the same time the Government funding distribution formulae has not been updated for over 10 years resulting in Havering not receiving its fair share of the funding available.
- 3.3. The Government have provided additional funds for Social Care over the last few years but it is nationally recognised that this has been inadequate to meet the rapidly rising demand Councils are facing. For Havering this shortfall has been magnified by the continued use of distribution formulae based on relative need from over 10 years ago rather than more up to date data such as the 2021 census.
- 3.4. These factors have contributed to Havering needing to include over £66m of pressures in setting the 2024/25 budget. The Council was able to identify £15m of savings which together with additional Government grant and an increase in Council Tax brought the budget gap down to £32.5m. The budget was balanced using a capitalisation directive which has been provisionally agreed by the Government.

- 3.5. The Capitalisation directive is subject to certain conditions including a financial review and the development of an improvement plan. This has however allowed the Council to set a balanced budget for 2024/25 which ensures the continuation of high quality services for the public. This report sets out the monitoring of the revenue budget including the potential drawdown and financing of the Capitalisation directive.

4. PERIOD 3 REVENUE MONITORING POSITION

- 4.1. This section sets out the projected 1st quarter revenue monitoring position for 2024/25. The paragraphs below set out department commentary on the current variances. The Councils budget for 2024/25 was set using the assumption that a £14m Capitalisation direction would be required to balance the budget.
- 4.2 The table below summarises the budget position at period 3 and shows a projected £32.3m overspend including the planned £14m capitalisation direction. This level of overspend unless mitigated through the remainder of the year would mean virtually the full extent of the £32.5m capitalisation directive would be needed to balance the budget at year end.

Service Budgets	Original Budget £m	Growth Allocated £m	Revised Budget £m	Period 3 Projection £m	Period 3 Variance £m
Resources - Strategic Directorate	12.2	0.0	12.2	12.9	0.7
People – Strategic Directorate	124.3	31.4	155.7	170.2	14.5
Place - Strategic Directorate	10.7	2.5	13.2	16.3	3.1
OneSource Shared	9.9	2.0	11.9	11.9	0.0
Total Service Budgets	157.1	35.9	193.0	211.3	18.3
Pay award (Based on latest offer)	0.0	3.0	3.0	4.0	1.0
Treasury Mgt. & Capital Financing	11.9	0.0	11.9	10.9	-1.0
Other Corporate budgets (inc grants)	-5.7	9.7	4.0	4.0	0.0
Corporate Total	6.2	12.7	18.9	18.9	0.0
Total Planned spend	163.3	48.6	211.9	230.2	18.3
Growth	48.6	-48.6	0.0	0.0	0.0
Budget Capitalisation direction	-14.0	0.0	-14.0	0.0	14.0
TOTAL CUMULATIVE OVERSPEND	197.9	0.0	197.9	230.2	32.3

4.3 The Council fully recognises the seriousness of the budget position and is working hard to mitigate the overspend. Tight spending controls are in place and actions include:

- Recruitment board to review new posts
- Review of all agency expenditure
- Review and reduction in the use of P.Cards
- Boards set up across departments to control and review spend
- Panels set up to review social care placements
- Review of all service areas to identify in year savings and efficiencies
- Joint working with Health to ensure costs are appropriately shared
- Review of existing and forthcoming contracts
- Project work to identify and realise housing solutions to mitigate temporary accommodation pressures
- Lobbying the Government to recognise the shortfall in funding was a significant factor in the recent OFSTED outcome

4.4 **People Services** are reporting a £14.5m overspend with pressures falling across all three main service areas. The paragraphs and table below summarise the position.

	Original Budget (M)	Growth Applied (M)	Revised Budget (M)	Forecast (M)	Variance (M)
Starting Well	53.7	13.2	66.9	73.7	6.8
Ageing Well	36.4	9.1	45.5	49.4	3.9
Living Well	34.2	9.1	43.3	47.1	3.8
	124.3	31.4	155.7	170.2	14.5

- 4.4.1 Starting Well are reporting a £6.8m variance to the budget position after growth had been applied. A proportion of the variance is as a result of the staffing changes required to meet the recommendations of the recent OFSTED report. The Council is lobbying the Government to recognise and support these additional costs. There is also a further rise over the anticipated levels of looked after children requiring residential placements and the number of children with disabilities requiring support. Home to school transport costs continue to rise driven by sharply increasing demand.
- 4.4.2 Ageing Well are reporting a £3.9m variance to budget at period 3. The overspend is partially through difficulty in delivery of a number of savings as set out in section 6.4 of this report but also more significantly through continued sharp increases in weekly costs of packages. The average weekly costs of nursing placements in particular has risen sharply driven in part by inflation following the national living wage increase but also by the increased complexity of some of the placements. The Council continues to work closely with Health over the costs and joint responsibility of these placements
- 4.4.3 Living Well are reporting a £3.8m overspend on their budget at Period 3. The Living well pressure is split £2.7m relating to Social Care and £1.1m relating to Housing Demand. The Social Care overspend relates to an increase in the number of users with learning disabilities receiving supported living and also general weekly cost increases driven by the national living wage increase. Within Housing Demand the numbers presenting as homeless continues to rise and there has been a further reduction in the number of PSL's available to the Council. The Chalkhill new properties are now expected to become available from October onwards which are expected to help meet demand
- 4.5 **Place Services** are projecting a £3.1m overspend as set out in the table below

	Original Budget (M)	Growth Applied (M)	Revised Budget (M)	Forecast (M)	Variance (M)
Environment	7.4	1.4	8.8	11.2	2.4
Housing and Asset mgmt	0.6	0.2	0.8	1.4	0.6
Planning and Public Protection	2.7	0.9	3.6	3.7	0.1
Total	10.7	2.5	13.2	16.3	3.1

- 4.5.1 Environment are reporting a £2.4m overspend which is primarily relating to Parking Services. The opening budget included £1.4m growth which was expected to mitigate a historic imbalance in the parking income budget. Income levels since the budget was agreed in January have been lower than anticipated resulting in a £1.5m pressure. It should be noted that the fee increase implemented in April are largely on track to deliver the anticipated savings in the budget report. Income will continue to be monitored closely through the remainder of the year. There is also a pressure due to the delayed procurement of the new highways contract (£0.8m) and a small pressure due to a shortfall income on green waste collection.

4.5.2 Housing and Asset management are reporting a £0.6m overspend which is partly due to delays in realising running cost savings on Mercury House and partly due to a shortfall in rental income from the Hilldene shopping centre as a result of the regeneration works underway.

4.6 **Resources** are reporting a £0.7m overspend at Period 3

	Original Budget (M)	Growth Applied (M)	Revised Budget (M)	Forecast (M)	Variance (M)
Public Health	-1.1	0.0	-1.1	-1.1	0.0
Communications	1.0	0.0	1.0	1.0	0.0
Customer Service	3.8	0.0	3.8	3.7	-0.1
Finance	5.1	0.0	5.1	5.2	0.1
Partnership Impact and Delivery	1.8	0.0	1.8	2.3	0.5
Human Resources	2.2	0.0	2.2	2.2	0.0
Non Shared budgets	0.2	0.0	0.2	0.4	0.2
Total	13.0	0.0	13.0	13.3	0.7

4.6.1 The main are of overspend is Partnership impact and delivery due to a slippage on the planned £0.25m integration saving and further pressures due to agency cover and other additional staffing costs £0.2m

5. CORPORATE BUDGETS AND CONTINGENCY

5.1 The Council had a number of Corporate items which will be reported on during the year. These items are shown in the table below.

	Revised Budget (M)	Forecast (M)	Variance (M)
Levies	18.9	18.9	0.0
Contingency	1.0	1.0	0.0
2024/25 Pay award	3.0	4.0	1.0
Treasury management	11.9	10.9	-1.0
Grants and other Corporate budgets	-15.9	-15.9	0.0
Total	18.9	18.9	0.0

- 5.2 The Council maintains a £1m contingency which at this stage of the financial year is assumed to be required. If there is no draw on this over the forthcoming months then this will be released to support the overall financial position. The Council also currently has a planned £5m contribution to general reserves within its budget in order to help build up general balances towards a target level of £20m.
- 5.3 The Council budgeted for an assumed 3% pay award in its most likely scenario planning when the budget was set. The pay award is nationally negotiated and the latest national pay offer will cost an estimated £1m more than the budget originally set aside. This is shown as a corporate variance. The final pay agreement is yet to be made and so there is a risk that the final position will be a larger variance.

5.4 Treasury Management:

- 5.4.1 The Council maintains Treasury budgets to finance the interest and repayment costs of the Capital programme. The Treasury budget also includes a budget for interest receivable from the Councils short term deposits. The budgets are prudent and assume borrowing based on the Capital programme running to the profile set out in the February Capital strategy report.
- 5.4.2 The Council is currently forecasting a £1m underspend on treasury management at quarter 1 primarily through a reduction to the minimum revenue provision (MRP) the Council needs to set aside to repay borrowing compared to the anticipated figure when the budget was set. Delays to the capital programme whilst detrimental to the Council's overall plans will result in a further underspend on the treasury budget and this will be closely monitored as the year progresses.
- 5.4.3 The Council at present is still able to invest short term deposits at an overnight rate in excess of 5%. Were this to continue through the year this will also result in an underspend but at this stage there is uncertainty over whether interest rates will come down. This will be monitored closely and updated through the year.

6 Update on Delivery of Savings

- 6.1 The 2024/25 budget included £15.349m of savings proposals to be delivered. The Council also prudently included a £3.1m provision against those savings but is fully committed to full delivery which would enable this budget to be released. The savings are presented in the table below:

PROGRESS ON 24/25 SAVINGS	Green (M)	Amber (M)	Red (M)	TOTAL (M)
PEOPLE	1.650	2.698	1.553	5.901
PLACE	2.085	0.427	0.450	2.963
RESOURCES	0.969	0.150	0.130	1.249
CORPORATE	5.236	0.000	0.000	5.236
TOTAL SAVINGS	9.941	3.275	2.133	15.349

6.2 The majority of savings are on track to be delivered with £9.9m rated at this stage as green. In addition to this a number of the savings currently amber are also expected to be on track and are classified amber purely as they are reliant on actions through the remainder of the year. There are currently £2.1m of savings which are not on track which are listed below together with reasons for why they are not on track.

Red Saving	Amount	Commentary
Review of social care provider services (Adults)	0.500	This was linked to building/buying residential care settings and commissioning a provider to deliver services - this is no longer achievable and a replacement saving is being sought
Acquisition of land and buildings from Notting Hill JV	0.131	Unlikely to be delivered this year - principle is Notting Hill sells assets to council
Review of transition cases (Adults)	0.500	Saving assumed cost reductions in Living Well ASC clients, There is a plan in development but the saving won't be delivered in 2024/25 - replacement saving options are being modelled
Full review of Early Help Provision	0.422	The proposals will be reviewed following the Ofsted judgement but will not be delivered in 2024/25
Review of funding to the HVS and CAB	0.130	Saving will no longer proceed in 2024/25
Parking Services – options for delivery	0.150	Options being considered but saving will not be delivered in 2024/25

Red Saving	Amount	Commentary
Highways Procurement	0.125	Delayed procurement has impacted in year delivery. Full impact should be realised in 2025/26
commercial waste service	0.025	Saving will no longer proceed in 2024/25
Alternate Weekly Collections & Containerisation	0.150	Consultation on options being considered but not change to service in 2024/25
TOTAL	2.133	

7 EARMARKED AND GENERAL RESERVES

- 7.1 The Council's levels of Earmarked and General Reserves are monitored closely and will be reported on through the financial year. The Council currently has £10.2m of General balances and has budgeted to increase this value to £15.2m in 2024/25. The Council is committed to building general reserves up to £20m in the medium term to safeguard against future risks and uncertainties
- 7.2 The Council held £35.1m of General Fund Earmarked reserves at 31st March 2024. These reserves are split into three main areas being Risk, Contractual and Service projects as displayed in the table below.

RESERVES	23/24 Opening Balance £m	Drawdown during 23/24 (£m)	23/24 Outturn Balance £m
General Balances	8.2	2.0	10.2
Risk Mitigation Reserves	16.7	(3.2)	13.5
Contractual Reserves	12.4	(1.9)	10.5
Internally Earmarked Projects	10.5	0.6	11.1
TOTAL	47.8	(2.5)	45.3

- 7.3 These reserves are kept under constant review and the Council fully recognises the need to maintain Risk and contractual reserves to offset future risk. In provisionally agreeing the exceptional financial support for 2023/24 and 2024/25 the Government fully

recognised and agreed with the need to maintain reserves and balances at a level to safeguard the Council in the future.

8. FINANCING THE COUNCILS REVENUE OUTTURN POSITION

- 8.1 The revenue outturn position set out in this report is a potential overspend of £32.3m. The Council will continue to apply strict spending controls and review services for efficiencies with the aim of improving this position by year end. The budget set in March included provisional agreement from the Government to apply a capitalisation direction of up to £32.5m to mitigate the overspend.
- 8.2 At the end of the financial year the Council will review the adequacy of its reserves and balances and will apply any surplus reserves to improve the outturn position. Given the reported overspend it is likely that the Council will need to utilise the capitalisation direction to mitigate the outturn overspend. The Council will review the financing of the capitalisation direction at this time with decisions being based on the level of capital receipts available and the potential impact on the Capital Financing requirement. (CFR).

9. THE CAPITAL PROGRAMME 1st QUARTER POSITION

- 9.1 The 1st quarter position on the Capital Programme is set out in Appendix 1 of this report. The 2024/25 Capital budget is £421.2m which is comprised of the Original budget of £342m agreed in the February Council report and £79m of slippage brought forward from 2023/24.
- 9.2 Since the budget was set last February all schemes have been reviewed and some of the spend on the programme has been re-profiled to later years. These schemes will still be delivered but the revised profiling is a more accurate reflection of the expected spending pattern. As a result, the Council is now expecting to spend £238.9m on Capital this year.
- 9.3 The Capital programme is expected to deliver significant benefits this year including:
- £28m on improvements to our schools
 - £19m on improvement and investment in our roads, parks and waste vehicles
 - £170m investment in Housing and Property across the general fund regeneration programme and the HRA to invest in both new Housing developments and our existing stock

10 IMPLICATIONS AND RISKS

Financial Implications and Risks

This report sets out the financial position of the Council and the implications of that are set out in the body of the report. Detailed financial monitoring of the Councils budget

enhances transparency of the Councils current financial position which will assist future budget planning

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs.

Under S 28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

The Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Act 1999. As part of that process it must consult tax payers, those who use or are likely to use services and others who may have an interest in an area where the Council carries out its functions.

Human Resource Implications and Risks

There are no immediate Human Resource implications or risks arising from the report at this stage and any specific workforce impact is difficult to assess at the present time. However, any current or future savings proposals or changes to the funding regime that impact on staff numbers or job roles, will be managed in accordance with both statutory requirements and the Council's Organisational Change policy and associated procedures.

Equalities and Social Inclusion Implications and Risks - There are no immediate Equalities and Social Inclusion implications arising from the report

APPENDIX 1 – CAPITAL MONITORING UPDATE Quarter 1

1. CAPITAL MONITORING

- 1.1. The Capital programme for 2024/25 through to 2027/28 was agreed at Council in February 2024. Since then slippage from 2023/24 has been added as per the capital outturn report and there have been some additions to the programme resulting in a summary programme as set out in the table below.

Summary of Existing Capital Approved Programme	Previous Year's Budget £m	2024- 25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
Ageing Well	4.727	7.099	0.000	0.000	11.826
Living Well	34.962	1.428	0.375	3.078	39.843
Starting Well	2.223	31.381	17.000	19.000	69.605
People	41.912	39.908	17.375	22.078	121.274
Environment	25.680	20.977	7.854	14.000	68.511
Housing & Property (GF)	44.442	133.597	147.007	129.882	454.928
Housing & Property (HRA)	358.767	214.050	161.102	554.962	1288.881
Planning & Public Protection	0.201	1.499	0.000	0.000	1.700
Place	429.090	370.122	315.963	698.844	1814.020
Customer Services	7.077	0.343	0.000	0.000	7.419
Finance	0.104	2.587	0.000	0.000	2.691
Partnership Impact and Delivery	6.761	7.926	10.421	0.000	25.109
Resources - Public Health	0.012	0.325	0.000	0.000	0.337
Resources	13.954	11.181	10.421	0.000	35.556
Grand Total	484.956	421.212	343.759	720.923	1970.850

GF / HRA Split	Previous Years Budget £m	2024- 25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
General Fund	126.189	207.162	182.657	165.960	681.969
Housing Revenue Account	358.767	214.050	161.102	554.962	1288.881
Grand Total	484.956	421.212	343.759	720.923	1970.850

- 1.2. Financing - The Council finances its capital expenditure through a combination of resources both internal and externally generated. Each funding stream is considered in terms of risk and affordability in the short and long term. The current and future climates have a significant influence on capital funding decisions. As a result, the planned disposals and borrowing costs are kept under regular review to ensure timing maximises any potential receipts or reduces borrowing costs.

- 1.3. Excluding previous years spend of £484.956 (shown for information in the table above), the total capital programme for 2024/25 and beyond is £1,485.893m split between the GF (£555.780m) and HRA (£930.114m). Funding for the planned capital expenditure for both the GF and HRA is set out in the 2 tables below.

General Fund Financing	2024/25 Financing Budget	2025/26 Financing Budget	2026/27+ Financing Budget	Total Financing Budget
	£m	£m	£m	£m
Capital Receipts	43.084	45.327	82.691	171.102
Revenue & Reserves	2.106	0.000	0.000	2.106
Grants & Other Contributions	49.074	17.130	31.185	97.388
Borrowing	112.897	120.201	52.085	285.183
Total GF Financing	207.162	182.657	165.960	555.780

HRA Financing	2024/25 Financing Budget	2025/26 Financing Budget	2026/27+ Financing Budget	Total Financing Budget
	£m	£m	£m	£m
Capital Receipts	51.115	54.961	152.218	258.294
Revenue & Reserves	11.457	10.460	32.651	54.567
Grants & Other Contributions	3.403	0.000	0.000	3.403
Borrowing	148.075	95.681	370.093	613.849
Total HRA Financing	214.050	161.102	554.962	930.114

2. Capital Achievements as at 30th June 2024

- 2.1. Capital expenditure as at the 30th June is £111.088m to date. Notable achievements so far for 2024/25 are as follows.

- £1.2m on the 12 Estates project to improve housing across borough.
- £4.2m spent on enhancing and increasing our existing housing stock.
- £1.1m on improving the quality of our roads and infrastructure.
- £987k on the regeneration of Bridge Close
- £640k on enhancing our schools and educational facilities
- £555k in addition to last year's spend of £8.1m on the purchase of refuse vehicles.
- £511k on enabling residents to continue to live at home rather than care homes or hospital via the disabled facilities grant
- An additional £0.722m on two buildings to provide semi-independent living for young people leaving care and adults with learning disabilities

3. 2024/25 Capital Programme

3.1. The report below sets out the Period 3 position for the Council's capital programme for the 2024/25 financial year.

	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Starting Well	31.381	30.148	(1.234)
Living Well	1.428	1.328	(0.100)
Ageing Well	7.099	7.099	0.000
People	39.908	38.575	(1.334)
Housing & Property (GF)	133.597	32.597	(100.999)
Housing & Property (HRA)	214.050	138.094	(75.956)
Planning & Public Protection	1.499	1.111	(0.388)
Environment	20.977	19.453	(1.525)
Place	370.122	191.255	(178.868)
Partnership Impact and Delivery	7.926	8.275	0.348
Customer Services	0.343	0.329	(0.014)
Finance	2.587	0.184	(2.404)
Public Health	0.325	0.325	0.000
Resources	11.181	9.112	(2.069)
Total	421.212	238.941	(182.270)

	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
General Fund	207.162	100.847	(106.314)
Housing Revenue Account	214.050	138.094	(75.956)
Total	421.212	238.941	(182.270)

3.2. The forecast expenditure for 2024/25 is £240.175m with actual expenditure at the end of Period 3 of £11.088m. Whilst most project budgets are on track to be spent over the full MTFS period there are a number of projects where expenditure has slipped back into future years, the explanations for the main programmes that contribute towards the slippage provided below:

3.3. PEOPLE

3.3.1. Starting Well

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Children's Social Care Programme	2.885	1.652	(1.234)
Education - Other	0.011	0.011	0.000
Schools	28.485	28.485	0.000
Education	31.381	30.148	(1.234)
Starting Well	31.381	30.148	(1.234)

Starting Well – Slippage of £1.234m

Slippage within starting well predominantly relates to delays in building works commencing in a new build for children with special educational needs to provide residential and respite.

3.3.2 Living Well

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Leisure Other	0.155	0.055	(0.100)
Leisure SLM	1.273	1.273	0.000
Housing Demand (GF)	1.428	1.328	(0.100)
Living Well	1.428	1.328	(0.100)

There is no significant slippage forecast at this stage for living well

3.3.3 Ageing Well

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Adults Social Care - DFG	4.871	4.871	0.000
Adults Social Care - Other	2.228	2.228	0.000
Adults Social Care	7.099	7.099	0.000
Ageing Well	7.099	7.099	0.000

There is no significant slippage forecast at this stage for ageing well

3.4. PLACE

3.4.1. Housing and Property – General Fund

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Mercury Land Holdings	63.448	2.772	(60.676)
Rainham & Beam Park	25.478	15.073	(10.405)
Regeneration - Other	24.297	2.056	(22.241)
Regeneration - TFL	1.583	0.050	(1.533)
Regeneration & Place Shaping	114.807	19.951	(94.856)
Asset Management - Other	2.934	0.000	(2.934)
Corporate Buildings	5.624	4.092	(1.532)
Health & Safety	0.065	0.065	0.000
Pre Sale Expenses	0.376	0.376	0.000
Schools Building Maintenance	3.024	3.024	0.000
Schools Expansions	2.996	2.996	0.000
Vehicle Replacement	3.656	1.978	(1.678)
Housing, Property and Assets	18.675	12.531	(6.144)
Inclusive Growth Programme	0.115	0.115	0.000
Inclusive Growth	0.115	0.115	0.000
Housing & Property (GF)	133.597	32.597	(100.999)

MLH – Slippage of £60.676m

Forecasts for MLH have been re-profiled as a result of a number of business plans yet to be agreed relating to various sites. An additional £1.6m of slippage has occurred as a result of a delay to the start of construction at Quarles/Roe Wood development

Rainham & Beam Park – Slippage of £10.405m

The slippage relates to re-profile of any potential CPO's that would be required as a result of the project. There are currently no known CPO's that need progressing

Regeneration Other – Slippage of £22.241m

Forecasts have been updated as no current opportunities have been identified that would be purchased from the provision for future regen opportunities budget. In addition there is slippage of £1m relating to the liveable neighbourhoods ring road scheme and £1m relating to the building of a medical centre at Farnham & Hilldene.

Regeneration TFL – Slippage of £1.533m

The slippage is as a result of delays to the Beam Parkway major scheme and is based on the latest information from the project manager.

Asset Management Other – Slippage of £2.934m

Awaiting a position over the definitive position over the availability of the Hornchurch Police station site have led to slippage within this programme.

Corporate Buildings – Slippage of £1.532m

Slippage is as a result of delays in procurement, planning and the tender process for the project corporate buildings initiative (656k) and corporate landlord building pressure (805k). Approval is being sought for works at the town hall to replace 2 lifts, upgrade the kitchen area, accessibility improvements and a new roof, insulation and plant all totalling circa £2.5m

Vehicle Replacement – Slippage of £1.678m

The slippage relates to the procurement of vehicles for passenger transport services (PTS). The project has experienced delays due to the procurement being put on hold while the home to school policy was established following public scrutiny.

3.4.2. Housing & Property (HRA)

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Bridge Close Acquisitions	58.752	31.083	(27.669)
Bridge Close Regeneration	0.020	0.646	0.626
HRA Regeneration	102.973	34.895	(68.078)
Regeneration & Place Shaping	161.745	66.624	(95.121)
HRA	46.207	41.040	(5.166)
HRA Stock Adjustments	2.695	27.027	24.332
Housing HRA	3.403	3.403	0.000
Housing, Property and Assets	52.305	71.470	19.165
Housing & Property (HRA)	214.050	138.094	(75.956)

Bridge Close Acquisitions – Slippage of £27.669m

Negotiations are progressing on a number of acquisitions and forecasts will be updated monthly to assess timescales against cash flow assumptions. The 2024/25 forecast is based on completion of a number of acquisitions plus professional fees paid via the LLP. Acquisitions are of significant value, and forecasts are prepared against current acquisition schedule, which may be subject to change. Any remaining 2023-24 budget will carry forward for future acquisitions.

HRA Regeneration – Slippage of £68.078m

The main elements of the slippage are discussed below –

- £30.926m of slippage relates to 12 Sites Phase 1 Forward Funding. The forward funding budget has been re-forecast at Period 3 to reflect the latest updates.
- £37.836m of slippage relates acquisitions within the HRA regeneration programme. The forecast is based on the remaining properties to be bought back at Oldchurch gardens, Chippenham, Farnham and Maygreen. The majority of these purchases are now expected to complete in 2025/26.

HRA – Slippage of £5.166m

The main elements of the slippage are discussed below -

- £2.075m of the slippage relates to the DLUCH Refugee housing programme which is awaiting a decision from external funder on use of excess grant as use of grant is limited to 40% of cost.
- £0.465m of the slippage relates to delays in the lift programme for decent homes works.
- £1.435m of the slippage relates to external works at highfields towers where spend is unlikely to be in the current financial year.

HRA Stock Adjustments – accelerated spend of £24.332m

The underspend in HRA regeneration acquisitions is being redirected to the HRA acquisition fund for affordable housing

3.4.3. Planning & Public Protection

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Enforcement	1.472	1.084	(0.388)
Planning TFL	0.027	0.027	0.000
Planning & Public Protection	1.499	1.111	(0.388)
Planning & Public Protection	1.499	1.111	(0.388)

There is no significant slippage forecast at this stage within Planning & Public Protection.

3.4.4. Environment

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Environment - TFL	2.703	2.577	(0.126)
Highways & Street Lighting	9.446	9.440	(0.006)
Public Realm - Parks	2.000	1.999	(0.001)
Public Realm - Waste	6.660	5.322	(1.338)
Environment - Parking	0.167	0.115	(0.053)
Environment	20.977	19.453	(1.525)
Environment	20.977	19.453	(1.525)

Public Realm Waste – Slippage of £1.338m

The slippage relates to the purchase of the waste contract vehicles where actual costs came in lower than anticipated. The remaining budget will be slipped and used to help fund the purchase of food waste vehicles.

3.5. RESOURCES

3.5.1. Partnership Impact and Delivery

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
ICT Cloud Migration	2.280	2.280	0.000
ICT Modern Device Management	2.356	2.356	0.000
Transformation	3.291	3.639	0.348
IT, Digital & Transformation	7.926	8.275	0.348
Resources - Partnership Impact and Delivery	7.926	8.275	0.348

There is no significant slippage forecast in Partnership Impact and Delivery

3.5.2 Customer Services

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Libraries	0.151	0.151	0.000
Customer Services	0.151	0.151	0.000
Cemeteries and Crematorium	0.191	0.178	(0.014)
Bereavement & Registration Services	0.191	0.178	(0.014)
Resources - Customer Services	0.343	0.329	(0.014)

There is no significant slippage forecast within Customer Services

3.5.3 Finance

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Exchequer & Transactional Programme	0.135	0.135	0.000
Finance People & Place Programme	0.049	0.049	0.000
Contingency	2.404	0.000	(2.404)
Corporate Finance	2.587	0.184	(2.404)
Resources - Finance	2.587	0.184	(2.404)

Contingency – Slippage of £2.404m

The contingency budget is delegated to the S151 officer for approval to either new or existing capital schemes. As such the forecast for contingency is zero as their will be no spend allocated directly to the project.

3.5.4 Public Health

Programme Area /Service/ Directorate	Budget 2024/25 £m	2024/25 Forecast Period 3 £m	2024/25 Variance £m
Insight, Policy & Strategy	0.325	0.325	0.000
Insight, Policy & Strategy	0.325	0.325	0.000
Resources - Public Health	0.325	0.325	0.000

There is no significant capital slippage forecast at this stage in Public Health