

## APPENDIX 2 – CAPITAL MONITORING UPDATE Quarter 2

### 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 Years Budget £m	2024- 25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
Ageing Well	2.907	7.286	0.000	0.000	10.193
Living Well	26.920	1.745	0.375	3.078	32.118
Starting Well	2.223	32.671	17.000	19.000	70.894
<b>People</b>	<b>32.050</b>	<b>41.702</b>	<b>17.375</b>	<b>22.078</b>	<b>113.205</b>
Environment	25.247	20.846	7.854	14.000	67.947
Housing & Property (GF)	44.228	133.597	147.007	129.882	454.714
Housing & Property (HRA)	358.764	214.050	161.102	554.962	1,288.878
Planning & Public Protection	0.201	1.499	0.000	0.000	1.700
<b>Place</b>	<b>428.440</b>	<b>369.992</b>	<b>315.963</b>	<b>698.844</b>	<b>1,813.239</b>
Customer Services	7.077	0.343	0.000	0.000	7.420
Finance	0.104	2.587	0.000	0.000	2.691
Partnership Impact and Delivery	6.761	7.926	10.421	0.000	25.108
Resources - Public Health	0.012	0.325	0.000	0.000	0.337
<b>Resources</b>	<b>13.954</b>	<b>11.181</b>	<b>10.421</b>	<b>0.000</b>	<b>35.556</b>
<b>Grand Total</b>	<b>474.444</b>	<b>422.875</b>	<b>343.759</b>	<b>720.922</b>	<b>1,962.000</b>

GF / HRA Split	Previous Years Budget £m	2024- 25 Budget £m	2025-26 Budget £m	2026-27 + Budget £m	Total Budget £m
General Fund	115.680	208.825	182.657	165.960	673.122
Housing Revenue Account	358.764	214.050	161.102	554.962	1,288.878
<b>Grand Total</b>	<b>474.444</b>	<b>422.875</b>	<b>343.759</b>	<b>720.922</b>	<b>1,962.000</b>

- 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 £474.444 (shown for information in the table above), the total capital programme for 2024/25 and beyond is £1,487.556m split between the GF (£557.442m) and HRA (£930.114m). Funding for the planned capital expenditure for both the GF and HRA is set out in the 2 tables below.

<b>General Fund Financing</b>	<b>2024/25 Financing Budget £m</b>	<b>2025/26 Financing Budget £m</b>	<b>2026/27+ Financing Budget £m</b>	<b>Total Financing Budget £m</b>
Capital Receipts	43.084	45.327	82.691	<b>171.102</b>
Revenue & Reserves	2.106	0.000	0.000	<b>2.106</b>
Grants & Other Contributions	50.738	17.130	31.185	<b>99.053</b>
Borrowing	112.897	120.201	52.083	<b>285.181</b>
<b>Total GF Financing</b>	<b>208.825</b>	<b>182.657</b>	<b>165.960</b>	<b>557.442</b>

<b>HRA Financing</b>	<b>2023/24 Financing Budget £m</b>	<b>2024/25 Financing Budget £m</b>	<b>2025/26+ Financing Budget £m</b>	<b>Total Financing Budget £m</b>
Capital Receipts	51.115	54.961	152.218	<b>258.294</b>
Revenue & Reserves	11.457	10.460	32.651	<b>54.568</b>
Grants & Other Contributions	3.403	0.000	0.000	<b>3.403</b>
Borrowing	148.075	95.681	370.093	<b>613.849</b>
<b>Total HRA Financing</b>	<b>214.050</b>	<b>161.102</b>	<b>554.962</b>	<b>930.114</b>

## 2. Capital Achievements as at 30<sup>th</sup> September 2024

- 2.1. Capital expenditure as at the 30<sup>th</sup> September is £48.231m to date. Notable achievements so far for 2024/25 are as follows.

- £2.884m on the 12 Estates project to improve housing across borough.
- £5.382m spent on enhancing and increasing our existing housing stock.
- £2.362m on improving the quality of our roads and infrastructure.
- £2.351m on the Regeneration of Bridge Close.
- £1.491m on enhancing our schools and educational facilities.
- £0.555m in addition to last year's spend of £8.1m on the purchase of refuse vehicles.
- £1.030m on enabling residents to continue to live at home rather than care homes or hospital via the disabled facilities grant.
- An additional £0.751m on two buildings to provide semi-independent living for young people leaving care and adults with learning disabilities.
- £2.800m spent on Bridge Close Acquisitions.
- £10.987m spent on the Rainham & Beam Park regeneration project.
- £0.422m spent on improving parks and open spaces across the borough.

## 3. 2024/25 Capital Programme

3.1. The report below sets out the latest period 6 forecast position for the Council's capital programme for the 2024/25 financial year compared to the position at period 3.

	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Starting Well	30.148	6.095	(24.053)
Living Well	1.328	1.103	(0.225)
Ageing Well	7.099	4.899	(2.200)
<b>People</b>	<b>38.575</b>	<b>12.097</b>	<b>(26.478)</b>
Housing & Property (GF)	32.597	31.828	(0.769)
Housing & Property (HRA)	138.094	118.090	(20.004)
Planning & Public Protection	1.111	1.111	0.000
Environment	19.453	18.802	(0.651)
<b>Place</b>	<b>191.255</b>	<b>169.831</b>	<b>(21.424)</b>
Partnership Impact and Delivery	8.275	7.270	(1.005)
Customer Services	0.329	0.309	(0.020)
Finance	0.182	0.000	(0.182)
Public Health	0.325	0.325	0.000
<b>Resources</b>	<b>9.111</b>	<b>7.904</b>	<b>(1.207)</b>
<b>Total</b>	<b>238.941</b>	<b>189.832</b>	<b>(49.109)</b>

	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
General Fund	100.847	71.742	(29.105)
Housing Revenue Account	138.094	118.090	(20.004)
<b>Total</b>	<b>238.941</b>	<b>189.832</b>	<b>(49.109)</b>

3.2. The forecast expenditure for 2024/25 is £189.832m with actual expenditure at the end of Period 6 standing at £48.231m. 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	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Childrens Social Care Programme	1.652	2.036	0.384
Education - Other	0.011	0.000	(0.011)
Schools	28.485	4.059	(24.426)
<b>Education</b>	<b>30.148</b>	<b>6.095</b>	<b>(24.053)</b>

<b>Starting Well</b>	<b>30.148</b>	<b>6.095</b>	<b>(24.053)</b>
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### **Schools – Slippage of £24.426m**

The Schools programme comprises of a number of grants that are awaiting allocation and have slipped into future years. Design work on three SEND Units have started at Sanders, Harrow Lodge, Harold Wood. The expansion of RJ Mitchell SEND Unit is also being consulted on.

### **3.3.2 Living Well**

<b>Programme Area /Service/ Directorate</b>	<b>2024/25 Forecast Period 3 £m</b>	<b>2024/25 Forecast Period 6 £m</b>	<b>2024/25 Variance £m</b>
Leisure Other	0.055	0.105	0.050
Leisure SLM	1.273	0.998	(0.275)
<b>Housing Demand (GF)</b>	<b>1.328</b>	<b>1.103</b>	<b>(0.225)</b>
<b>Living Well</b>	<b>1.328</b>	<b>1.103</b>	<b>(0.225)</b>

There is no significant slippage forecast at this stage for Living Well.

### **3.3.3 Ageing Well**

<b>Programme Area /Service/ Directorate</b>	<b>2024/25 Forecast Period 3 £m</b>	<b>2024/25 Forecast Period 6 £m</b>	<b>2024/25 Variance £m</b>
Adults Social Care - DFG	4.871	2.729	(2.142)
Adults Social Care - Other	2.228	2.170	(0.058)
<b>Adults Social Care</b>	<b>7.099</b>	<b>4.899</b>	<b>(2.200)</b>
<b>Ageing Well</b>	<b>7.099</b>	<b>4.899</b>	<b>(2.200)</b>

### **Adults Social Care – DFG – Slippage of £2.142m**

The DFG slippage is based on current activity levels in terms of the number of applications and adaptations projected to be carried out this year. Current forecasts will fully utilise the 2024/25 DFG allocation, but the slippage relates to previous years unspent DFG allocation balances.

## **3.4. PLACE**

### **3.4.1. Housing and Property – General Fund**

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Mercury Land Holdings	2.772	4.441	1.669
Rainham & Beam Park	15.073	13.138	(1.935)
Regeneration - Other	2.056	2.056	0.000
Regeneration - TFL	0.050	0.050	0.000
<b>Regeneration &amp; Place Shaping</b>	<b>19.951</b>	<b>19.685</b>	<b>(0.266)</b>
Asset Management - Other	0.000	0.000	0.000
Corporate Buildings	4.092	3.812	(0.280)
Health & Safety	0.065	0.065	0.000
Pre Sale Expenses	0.376	0.153	(0.223)
Schools Building Maintenance	3.024	3.024	0.000
Schools Expansions	2.996	2.996	0.000
Vehicle Replacement	1.978	1.978	0.000
<b>Housing, Property and Assets</b>	<b>12.531</b>	<b>12.028</b>	<b>(0.503)</b>
Inclusive Growth Programme	0.115	0.115	0.000
<b>Inclusive Growth</b>	<b>0.115</b>	<b>0.115</b>	<b>0.000</b>
<b>Housing &amp; Property (GF)</b>	<b>32.597</b>	<b>31.828</b>	<b>(0.769)</b>

### MLH – Slippage of £1.669m

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 acceleration relates to construction at Quarles development.

### Rainham & Beam Park – Slippage of £1.935m

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.

### 3.4.2. Housing & Property (HRA)

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Bridge Close Acquisitions	31.083	19.538	(11.545)
Bridge Close Regeneration	0.646	0.686	0.040
HRA Regeneration	34.895	33.284	(1.611)
<b>Regeneration &amp; Place Shaping</b>	<b>66.624</b>	<b>53.508</b>	<b>(13.116)</b>
HRA	41.040	38.043	(2.997)
HRA Stock Adjustments	27.027	23.136	(3.891)
Housing HRA	3.403	3.403	0.000
<b>Housing, Property and Assets</b>	<b>71.470</b>	<b>64.582</b>	<b>(6.888)</b>
<b>Housing &amp; Property (HRA)</b>	<b>138.094</b>	<b>118.090</b>	<b>(20.004)</b>

### **Bridge Close Acquisitions – Slippage of £11.545m**

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. Revised forecasts at Period 6 reflecting current predictions for conclusion of commercial negotiations for property acquisitions.

### **HRA Regeneration – Slippage of £1.611m**

£1.611m of slippage relates to 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 £2.997**

The largest areas of slippage relate to the two budgets the Decent Homes Works – External (£0.768m) and the Energy Saving Works (£0.516m).

### **HRA Stock Adjustments – Slippage of £3.891**

The majority of the slippage (£2.009m) relates to stock alignment budget. £1.5m for Rooftop at Ongar Way, which is now unlikely to be spent in 2024/25 and £0.510m not required for adaptations.

£2.006m of the slippage relates to the HRA Acquisition Fund - Affordable Housing. 15 properties have been approved so far for purchase, this will contribute to the forecast expenditure of £20.994m.

#### **3.4.3. Planning & Public Protection**

<b>Programme Area /Service/ Directorate</b>	<b>2024/25 Forecast Period 3 £m</b>	<b>2024/25 Forecast Period 6 £m</b>	<b>2024/25 Variance £m</b>
Enforcement	1.084	1.084	0.000
Planning TFL	0.027	0.027	0.000
<b>Planning &amp; Public Protection</b>	<b>1.111</b>	<b>1.111</b>	<b>0.000</b>
<b>Planning &amp; Public Protection</b>	<b>1.111</b>	<b>1.111</b>	<b>0.000</b>

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

### 3.4.4. Environment

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Environment - TFL	2.577	2.240	(0.337)
Highways & Street Lighting	9.440	9.070	(0.370)
Public Realm - Parks	1.999	2.024	0.025
Public Realm - Waste	5.322	5.322	0.000
Environment - Parking	0.115	0.146	0.031
<b>Environment</b>	<b>19.453</b>	<b>18.802</b>	<b>(0.651)</b>
<b>Environment</b>	<b>19.453</b>	<b>18.802</b>	<b>(0.651)</b>

There is no significant slippage forecast at this stage within Environment.

## 3.5. RESOURCES

### 3.5.1. Partnership Impact and Delivery

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
ICT Cloud Migration	2.280	2.080	(0.200)
ICT Modern Device Management	2.356	1.986	(0.370)
Transformation	3.639	3.204	(0.435)
<b>IT, Digital &amp; Transformation</b>	<b>8.275</b>	<b>7.270</b>	<b>(1.005)</b>
<b>Resources - Partnership Impact and Delivery</b>	<b>8.275</b>	<b>7.270</b>	<b>(1.005)</b>

There is no significant slippage forecast in Partnership Impact and Delivery.

### 3.5.2 Customer Services

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Libraries	0.151	0.106	(0.045)
<b>Customer Services</b>	<b>0.151</b>	<b>0.106</b>	<b>(0.045)</b>
Cemeteries and Crematorium	0.178	0.203	0.025
<b>Bereavement &amp; Registration Services</b>	<b>0.178</b>	<b>0.203</b>	<b>0.025</b>
<b>Resources - Customer Services</b>	<b>0.329</b>	<b>0.309</b>	<b>(0.020)</b>

There is no significant slippage forecast within Customer Services.

### 3.5.3 Finance

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Exchequer & Transactional Programme	0.133	0.000	(0.133)
Finance People & Place Programme	0.049	0.000	(0.049)
Contingency	0.000	0.000	0.000
<b>Corporate Finance</b>	<b>0.182</b>	<b>0.000</b>	<b>(0.182)</b>
<b>Resources - Finance</b>	<b>0.182</b>	<b>0.000</b>	<b>(0.182)</b>

There is no significant capital slippage forecast at this stage in Finance.

### 3.5.4 Public Health

Programme Area /Service/ Directorate	2024/25 Forecast Period 3 £m	2024/25 Forecast Period 6 £m	2024/25 Variance £m
Insight, Policy & Strategy	0.325	0.325	0.000
<b>Insight, Policy &amp; Strategy</b>	<b>0.325</b>	<b>0.325</b>	<b>0.000</b>
<b>Resources - Public Health</b>	<b>0.325</b>	<b>0.325</b>	<b>0.000</b>

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