

APPENDIX 2 – CAPITAL MONITORING UPDATE Quarter 1

1. CAPITAL MONITORING

- 1.1. The Capital programme for 2025/26 through to 2029/30 was agreed at Council in February 2025. Since then slippage from 2024/25 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 Approved Capital Programme	Previous Years Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 + Budget £m	Total Budget £m
Ageing Well	6.159	5.836	0.000	0.000	11.996
Living Well	27.981	3.285	0.815	3.353	35.435
Starting Well	6.006	3.438	0.000	0.000	9.444
People	40.147	12.559	0.815	3.353	56.874
Environment	32.477	20.118	7.000	21.000	80.595
Housing & Property (GF)	64.470	109.583	130.014	41.688	345.756
Housing & Property (HRA)	439.213	223.449	168.735	441.502	1272.898
Planning & Public Protection	0.703	0.997	0.000	0.000	1.700
Place	536.863	354.147	305.749	504.190	1700.949
Customer Services	7.185	0.875	0.000	0.000	8.059
Finance	0.065	2.461	0.000	0.000	2.526
IT Digital and Customer	3.450	8.161	0.300	0.000	11.911
Resources - Public Health	0.305	0.032	0.000	0.000	0.337
Resources	11.004	11.530	0.300	0.000	22.834
Grand Total	588.014	378.236	306.864	507.543	1780.657

GF / HRA Split	Previous Years Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 + Budget £m	Total Budget £m
General Fund	148.801	154.787	138.129	66.041	507.758
Housing Revenue Account	439.213	223.449	168.735	441.502	1272.898
Grand Total	588.014	378.236	306.864	507.543	1780.657

- 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 £588.014m (shown for information in the table above), the total capital programme for 2025/26 and beyond is £1,192.642m split between the GF (£358.957m) and HRA (£833.686m). Funding for the planned capital expenditure for both the GF and HRA is set out in the 2 tables below.

General Fund Financing	2025/26 Financing Budget £m	2026/27 Financing Budget £m	2028/29+ Financing Budget £m	Total Financing Budget £m
Capital Receipts	15.007	2.550	0.000	17.557
Revenue & Reserves	2.316	0.000	0.000	2.316
Grants & Other Contributions	68.960	31.185	0.000	100.145
Borrowing	68.503	104.395	66.041	238.939
Total GF Financing	154.787	138.129	66.041	358.957

HRA Financing	2025/26 Financing Budget £m	2026/27 Financing Budget £m	2028/29+ Financing Budget £m	Total Financing Budget £m
Capital Receipts	42.894	40.104	120.039	203.036
Revenue & Reserves	10.877	12.955	38.380	62.212
Grants & Other Contributions	17.483	0.000	0.000	17.483
Borrowing	152.196	115.675	283.083	550.954
Total HRA Financing	223.449	168.735	441.502	833.686

2. Capital Achievements as at 30th June 2025

- 2.1. Capital expenditure as at the 30th June is £24.150m to date. Notable achievements so far for 2025/26 are as follows.

- Spend of £7.675m on the Council Housing Acquisitions Programme, £2.629m on building of a new hostel and over £7m on improving the housing stock across the borough.
- £1.1m on improving the quality of our roads and infrastructure.
- £1.495m on enhancing our schools and educational facilities.
- £0.981m on the 12 Estates project to improve housing across borough.
- £0.770m on the regeneration of Bridge Close.
- £392k the purchase of Public Realm (Parks) & (Bereavement Services) vehicles.
- £395k spent on home adaptations to allow residents to continue living in their own homes

3. 2025/26 Capital Programme

3.1. The report below sets out the Period 3 position for the Council's capital programme for the 2025/26 financial year.

	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Starting Well	3.438	1.206	(2.232)
Living Well	3.285	2.857	(0.428)
Ageing Well	5.836	4.364	(1.472)
People	12.559	8.428	(4.132)
Housing & Property (GF)	109.758	48.742	(61.016)
Housing & Property (HRA)	223.274	171.656	(51.618)
Planning & Public Protection	0.997	0.997	0.000
Environment	20.118	12.975	(7.143)
Place	354.147	234.370	(119.777)
Resources - IT Digital and Customer	8.161	6.678	(1.483)
Customer Services	0.875	0.640	(0.235)
Finance	2.461	0.000	(2.461)
Public Health	0.032	0.032	0.000
Resources	11.530	7.350	(4.179)
Total	378.236	250.148	-(128.088)

	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
General Fund	154.962	78.492	(76.469)
Housing Revenue Account	223.274	171.656	(51.618)
Total	378.236	250.148	(128.088)

3.2. The forecast expenditure for 2025/26 is £250.148m with actual expenditure at the end of Period 3 of £24.150m. 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 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Childrens Social Care Programme	1.565	0.234	(1.331)

Education - Other	0.011	0.000	(0.011)
Schools	1.863	0.972	(0.890)
Education	3.438	1.206	(2.232)
Starting Well	3.438	1.206	(2.232)

Children Social Care Programme – Slippage of £1.331m

The slippage relates to children with special educational needs to provide residential and respite at Aldwych site. Currently awaiting a decision on future of this site as may now be surplus to requirements.

Schools – Slippage of £0.890m

Schools slippage comprises of a number of schemes, which have been deferred or are no longer required. Any underspends within Schools will be moved back to the unallocated pot and subsequently used to fund additional projects.

3.3.2 Living Well

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Leisure Other	2.464	2.064	(0.400)
Leisure SLM	0.820	0.792	(0.028)
Housing Demand (GF)	3.285	2.857	(0.428)
Living Well	3.285	2.857	(0.428)

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

3.3.3 Ageing Well

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Adults Social Care - DFG	4.524	3.052	(1.472)
Adults Social Care - Other	1.312	1.312	0.000
Adults Social Care	5.836	4.364	(1.472)

Ageing Well	5.836	4.364	(1.472)
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Adults Social Care - DFG – Slippage of £1.472m

The slippage of £1.472m is based on current activity levels of disabled facilities grant applications.

3.4. PLACE

3.4.1. Housing and Property – General Fund

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Mercury Land Holdings	54.307	23.572	(30.734)
Rainham & Beam Park	8.835	1.761	(7.074)
Regeneration - Other	9.802	8.463	(1.339)
Regeneration - TfL	1.583	0.000	(1.583)
Regeneration & Place Shaping	74.527	33.796	(40.731)
Corporate Buildings	8.344	4.362	(3.982)
Health & Safety	0.051	0.051	0.000
Pre Sale Expenses	0.322	0.078	(0.244)
Schools Building Maintenance	4.074	4.074	0.000
Schools Expansions	20.317	4.258	(16.059)
Vehicle Replacement	2.124	2.124	0.000
Housing, Property and Assets	35.231	14.946	(20.285)
Housing & Property (GF)	109.758	48.742	(61.016)

MLH – Slippage of £30.734m

Forecasts are based on latest information received from MLH Finance Director.

Rainham & Beam Park – Slippage of £7.074m

£5.000m of the slippage relates to Rainham & Beam Park Housing Zone – CPO's and Grant budget. This scheme has experienced delays.

£2.000m slippage relates to Rainham and Beam Park Housing Zone – Equity. The forecast includes all expected costs through the Rainham and Beam Park Regen LLP for the year including architects fees, consultancy and Council DSSA payments. £7k underspend funds the overspend on Rainham Commercial Properties.

Regeneration Other – Slippage of £1.339m

The slippage relates to the Rainham Gateway - Active Travel. Forecast updated at Period 3 reflects current project progress.

Regeneration - TfL – Slippage of £1.583m

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.

Corporate Buildings – Slippage of £3.982m

Slippage is as a result of delays in procurement, planning and the tender process for the project corporate buildings initiative (£2.500m) and corporate landlord building pressure (£0.945m). The works on Town Hall Re-Roofing Project and restoration, courtyard improvements will not fully commence until September this year.

Schools Expansions – Slippage of £16.059m

Slippage relates to Balgores New special school scheme. Slightly delayed planning programme, which has shifted the anticipated start of the contract later into the next financial year.

3.4.2. Housing & Property (HRA)

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
12 Estates	6.455	6.455	0.000
Bridge Close Acquisitions	32.992	18.219	(14.773)
Bridge Close Regeneration	0.929	0.434	(0.495)
HRA Regeneration	104.905	74.676	(30.229)
Regeneration & Place Shaping	145.280	99.784	(45.496)
HRA	50.000	44.378	(5.622)
HRA Stock Adjustments	2.618	2.118	(0.500)
Housing HRA	25.375	25.375	0.000
Housing, Property and Assets	77.993	71.872	(6.122)
Housing & Property (HRA)	223.274	171.656	(51.618)

Bridge Close Acquisitions – Slippage of £14.773m

Most of the slippage is related to the Acquisitions budget. Current year forecast based on expected consultancy/planning fees plus £14.8m in acquisitions for site assembly, assuming that the HICC replacement property materialises during 2025/26. Negotiations with land owners ongoing via private treaty.

HRA Regeneration – Slippage of £30.229m

The main elements of the slippage are discussed below –

- £15.067m of slippage relates to 12 Sites Phase 1 Forward Funding. Forecasts based on current 12 sites programme including: £10.3m for Chippenham Rd demolition/PCSA/ Construction start, £4.9m for Farnham and Hildene scheme including demolition start, £1.6m Waterloo estate to progress first phase through planning. £748k total consultancy and staff costs. £19.000m budgeted for 75 unsold units to be acquired at a 33% discount at Park Rise assuming sales are stalled.
- £16.191m 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 £5.622m

£4.500m of the slippage relates to Residents Safety Related budget, as the works are not expected on site until April 26 these budgets will be slipped into 2026/27. The remaining £0.700m of the slippage relates to High-rise flats lifts works, delays have resulted from building safety regulator.

3.4.3. Planning & Public Protection

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Enforcement	0.970	0.970	0.000
Planning - TfL	0.027	0.027	0.000
Planning & Public Protection	0.997	0.997	0.000
Planning & Public Protection	0.997	0.997	0.000

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

3.4.4. Environment

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Environment - TfL	2.353	2.274	(0.079)
Highways & Street Lighting	10.394	9.635	(0.759)
Public Realm - Grounds Maintenance	0.014	0.014	0.000
Public Realm - Parks	1.191	0.827	(0.364)

Public Realm - Waste	6.057	0.116	(5.941)
Environment - Parking	0.109	0.109	0.000
Environment	20.118	12.975	(7.143)
Environment	20.118	12.975	(7.143)

Highways & Street Lighting – Slippage of £0.759m

The slippage relates to a number of small schemes with the largest scheme Highways (Roads & Pavements) with a slippage of £0.511m.

Public Realm - Waste – Slippage of £5.941m

The slippage relates to the Food Waste collection scheme. This scheme has experienced some delays.

3.5. RESOURCES

3.5.1. IT Digital and Customer

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
ICT Cloud Migration	1.644	1.644	0.000
ICT Modern Device Management	2.101	2.101	0.000
Transformation	4.416	2.933	(1.483)
IT, Digital & Transformation	8.161	6.678	(1.483)
Resources - IT Digital and Customer	8.161	6.678	(1.483)

Transformation – Slippage of £1.483m

The slippage of £1.483m relates to Transformation reserve. This amount is being held for any IT related activity coming from the STAR Chamber process that is not funded.

3.5.2 Customer Services

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Libraries	0.786	0.640	(0.146)
Customer Services	0.786	0.640	(0.146)
Cemeteries and Crematorium	0.088	0.000	(0.088)
Bereavement & Registration Services	0.088	0.000	(0.088)

Resources - Customer Services	0.875	0.640	(0.235)
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There is no significant slippage forecast within Customer Services.

3.5.3 Finance

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Finance People & Place Programme	0.032	0.000	(0.032)
Contingency	2.429	0.000	(2.429)
Corporate Finance	2.461	0.000	(2.461)
Resources - Finance	2.461	0.000	(2.461)

Contingency – Slippage of £2.429m

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 there will be no spend allocated directly to the project.

3.5.4 Public Health

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 3 £m	2025/26 Variance £m
Insight, Policy & Strategy	0.032	0.032	0.000
Insight, Policy & Strategy	0.032	0.032	0.000
Resources - Public Health	0.032	0.032	0.000

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