

APPENDIX 2 – CAPITAL MONITORING UPDATE Quarter 2

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	6.022	0.000	0.000	12.181
Living Well	28.280	4.171	0.815	3.353	36.620
Starting Well	6.006	37.693	5.700	2.400	51.799
People	40.446	47.886	6.515	5.753	100.600
Environment	32.278	20.593	7.000	21.000	80.871
Housing & Property (GF)	64.470	109.968	130.881	41.688	347.008
Housing & Property (HRA)	440.213	222.145	170.235	441.306	1,273.898
Planning & Public Protection	0.703	1.103	0.000	0.000	1.806
Place	537.664	353.809	308.116	503.994	1,703.583
Customer Services	6.886	0.088	0.000	0.000	6.974
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
Public Health	0.305	0.032	0.000	0.000	0.337
Resources	10.705	10.744	0.300	0.000	21.749
Grand Total	588.815	412.439	314.931	509.747	1,825.932

GF / HRA Split	Previous Years Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 + Budget £m	Total Budget £m
General Fund	148.602	190.294	144.696	68.441	552.034
Housing Revenue Account	440.213	222.145	170.235	441.306	1,273.898
Grand Total	588.815	412.439	314.931	509.747	1,825.932

- 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 £588.815m (shown for information in the table above), the total capital programme for 2025/26 and beyond is £1,825.932m split between the GF (£395.732m) and HRA (£841.385m). 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	9.060	26.617
Revenue & Reserves	0.583	1.042	0.000	1.625
Grants & Other Contributions	77.235	25.903	2.455	105.593
Borrowing	97.469	104.202	60.227	261.897
Total GF Financing	190.294	133.696	71.742	395.732

HRA Financing	2025/26 Financing Budget £m	2026/27 Financing Budget £m	2028/29+ Financing Budget £m	Total Financing Budget £m
Capital Receipts	51.797	40.104	110.979	202.880
Revenue & Reserves	12.911	12.955	38.380	64.246
Grants & Other Contributions	19.073	13.000	0.568	32.641
Borrowing	138.364	115.175	288.078	541.617
Total HRA Financing	222.145	181.235	438.005	841.385

2. Capital Achievements as at 30th September 2025

- 2.1. Capital expenditure as at the 30th September is £48.065m to date. Notable achievements so far for 2025/26 are as follows.

- Spend of £10.648m on the Council Housing Acquisitions Programme, £4.060 on building of a new hostel and over £14m on improving the housing stock across the borough.
- £2.377m on improving the quality of our roads and infrastructure.
- £2.668m on enhancing our schools and educational facilities.
- £2.545m on the 12 Estates project to improve housing across borough.
- £0.870m 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 6 position for the Council's capital programme for the 2025/26 financial year.

	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Starting Well	1.206	4.520	3.314
Living Well	3.496	3.496	0.000
Ageing Well	4.364	3.899	(0.465)
People	9.066	11.915	2.849
Housing & Property (GF)	48.743	46.857	(1.886)
Housing & Property (HRA)	171.655	161.484	(10.171)
Planning & Public Protection	0.997	0.333	(0.664)
Environment	12.975	14.152	1.177
Place	234.370	222.826	(11.544)
IT Digital and Customer	6.678	6.431	(0.247)
Customer Services	0.000	0.085	0.085
Finance	0.000	0.000	0.000
Public Health	0.032	0.032	0.000
Resources	6.710	6.548	(0.162)
Total	250.146	241.289	(8.857)

	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
General Fund	78.491	79.805	1.314
Housing Revenue Account	171.655	161.484	(10.171)
Total	250.146	241.289	(8.857)

3.2. The forecast expenditure for 2025/26 is £241.289m with actual expenditure at the end of Period 6 of £48.065m. 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 changes in the slippage are provided below:

3.3. PEOPLE

3.3.1. Starting Well

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Childrens Social Care Programme	0.234	0.234	0.000
Schools	0.972	4.286	3.314
Education	1.206	4.520	3.314
Starting Well	1.206	4.520	3.314

Schools – Increase in forecast of £3.314m

The increase in forecast is as a result of improved forecasting of the Basic needs programme, which is funded from education capital grants. The slippage in the Basic needs programme is as a result of delays in delivery of SEND Units at Harrow Lodge, Harold Wood and expansion of RJ Mitchell and Lime Academy Forest Approach. In addition there have been delays in deciding on Gidea Park expansion.

3.3.2 Living Well

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Art & Culture	0.000	0.000	0.000
Leisure Other	2.064	2.064	0.000
Leisure SLM	0.792	0.792	0.000
Housing Demand (GF)	2.856	2.856	0.000
Libraries	0.640	0.640	0.000
Culture Leisure Heritage and Libraries	0.640	0.640	0.000
Living Well	3.496	3.496	0.000

There is no significant movement in the P6 forecast compared to the expenditure forecast in P3.

3.3.3 Ageing Well

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Adults Social Care - DFG	3.052	2.606	(0.446)
Adults Social Care - Other	1.312	1.293	(0.019)
Adults Social Care	4.364	3.899	(0.465)
Ageing Well	4.364	3.899	(0.465)

There is no significant movement in the P6 forecast compared to the expenditure forecast in P3.

3.4. PLACE

3.4.1. Housing and Property – General Fund

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Mercury Land Holdings	23.572	21.153	(2.419)
Bridge Close - School	0.000	0.180	0.180
Rainham & Beam Park	1.761	1.720	(0.041)
Regeneration - Other	8.463	8.751	0.288
Regeneration - TFL	0.000	0.000	0.000
Regeneration & Place Shaping	33.796	31.804	(1.992)
Corporate Buildings	4.362	4.362	0.000
Health & Safety	0.051	0.015	(0.036)
Pre Sale Expenses	0.078	0.078	0.000
Schools Building Maintenance	4.074	4.074	0.000
Schools Expansions	4.258	4.258	0.000
Vehicle Replacement	2.124	2.070	(0.054)
Housing, Property and Assets	14.947	14.857	(0.090)
Insight, Policy & Strategy	0.000	0.196	0.196
Insight, Policy & Strategy	0.000	0.196	0.196
Housing & Property (GF)	48.743	46.857	(1.886)

MLH – Increase in Slippage of £2.419m

Forecasts are based on latest information received from the MLH Finance Director, and are based on latest Business Plan projections.

3.4.2. Housing & Property (HRA)

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
12 Estates	6.455	6.268	(0.187)
Bridge Close Acquisitions	18.219	18.511	0.292
Bridge Close Regeneration	0.434	0.412	(0.022)
HRA Regeneration	74.676	67.026	(7.650)
Regeneration & Place Shaping	99.784	92.217	(7.567)
HRA Stock	71.871	69.267	(2.604)
Housing, Property and Assets	71.871	69.267	(2.604)
Housing & Property (HRA)	171.655	161.484	(10.171)

HRA Regeneration – Increase in Slippage of £7.650m

The increase in slippage is due to the following –

- Forecasts are based on the current 12 sites programme with slippage currently forecast for the following - £10.3m for Chippenham Rd demolition/PCSA/ Construction start, £4.9m for Farnham and Hilldene scheme including demolition start, £1.6m Waterloo estate to progress first phase through planning. £748k total consultancy and staff costs. £19m budgeted for 75 unsold units to be acquired at a 33% discount at Park Rise assuming sales are stalled.

HRA Stock – Increase in Slippage of £2.604m

The increase in slippage is as a result of the following –

- The Residents Safety budget, as the works are not expected on site until April 26 these budgets will be slipped into 2026/27.
- The Housing I.T project, which has now been identified as a cloud-based software system hence revenue funded.
- The Decent Homes works spend on boiler replacements indicates an underspend of £1m and spend on Communal Doors is now likely to underspend by £0.4m as fewer doors have been identified for replacement.

3.4.3. Planning & Public Protection

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Enforcement	0.970	0.306	(0.664)
Planning TfL	0.027	0.027	0.000
Planning & Public Protection	0.997	0.333	(0.664)
Planning & Public Protection	0.997	0.333	(0.664)

Enforcement – Increase in Slippage of £0.664m

The increase in slippage relates to the Enforcement CCTV project, with the scheme experiencing changes in the timeframe of the project, resulting in further slippage in the schedule.

3.4.4. Environment

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Environment - TfL	2.274	2.614	0.340
Highways & Street Lighting	9.635	10.149	0.514
Environment - Parking	0.109	0.109	0.000
Public Realm - Grounds Maintenance	0.014	0.014	0.000
Public Realm - Parks	0.827	1.150	0.323
Public Realm - Waste	0.116	0.116	0.000
Environment	12.975	14.152	1.177
Environment	12.975	14.152	1.177

Highways & Street Lighting – Increase in forecast of £0.514m

The increase relates to higher levels of capital spend now being forecast on resurfacing of the Authority's Roads and Pavements.

3.5. RESOURCES

3.5.1. IT Digital and Customer

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
ICT Cloud Migration	1.644	1.644	0.000
ICT Modern Device Management	2.101	1.854	(0.247)
Transformation	2.933	2.933	0.000
IT, Digital & Transformation	6.678	6.431	(0.247)
IT Digital and Customer	6.678	6.431	(0.247)

There is no significant movement in the P6 forecast compared to the expenditure forecast in P3.

3.5.2 Customer Services

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Cemeteries and Crematorium	0.000	0.085	0.085
Bereavement & Registration Services	0.000	0.085	0.085
Customer Services	0.000	0.085	0.085

There is no significant movement in the P6 forecast compared to the expenditure forecast in P3.

3.5.3 Public Health

Programme Area /Service/ Directorate	2025/26 Forecast Period 3 £m	2025/26 Forecast Period 6 £m	2025/26 Variance £m
Insight, Policy & Strategy	0.032	0.032	0.000
Insight, Policy & Strategy	0.032	0.032	0.000
Public Health	0.032	0.032	0.000

There is no significant movement in the P6 forecast compared to the expenditure forecast in P3.