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## CABINET

**18 February 2026**

**Subject Heading:**

**5 Year Capital Programme and Strategy – 2026/27 to 2030/31**

**Cabinet Member:**

**Councillor Christopher Wilkins**  
Cabinet Member for Finance

**ELT Leads:**

**Kathy Freeman**  
Strategic Director of Resources

**Report Author and contact details:**

**Mark White**  
Capital Strategy Manager

**Policy context:**

This report presents the Council's 5-year Capital Strategy and associated Capital Programme for agreement by Cabinet and recommendation on to Council for consideration and approval.

**Financial summary:**

The Council is required to approve the Capital Strategy as per the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice. The Council is required to set a balanced budget and the capital strategy and subsequent 5-year capital programme forms part of this process. The financial implications of this strategy are included as part of the 2026/27 Budget and tax setting report elsewhere on this agenda.

**Is this a Key Decision?**

Yes

**When should this matter be reviewed?**

Annually

**Reviewing OSC:**

Overview and Scrutiny Board

**The subject matter of this report deals with the following Council Objectives**

People – Supporting our residents to stay safe and well	[ ]
Place – A great place to live, work and enjoy	[ ]
Resource – Enabling a resident-focused and resilient Council	[ X ]

**SUMMARY**

The Council is required by statute and as set out in the Prudential Code for Capital Finance in Local Authorities, 2021 Edition, to agree the capital programme and associated capital strategy. Local authorities are required to have regard to the current editions of this code by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) Regulations 2003 [SI 3146].

This report sets out the Authority's Capital Strategy and presents the Council's proposed capital budget for 2026/27 and five year Capital Programme to 2030/31. It should be read in conjunction with the Treasury Management Strategy Statement also on the agenda.

**RECOMMENDATIONS**

**Cabinet is asked to:**

1. **Recommend to Council for consideration and approval** the 2026/27 Capital programme of £391m and £1,050m over the full five-year period from 2026/27 to 2030/31.
2. **Recommend to Council for consideration and approval** the new capital projects being added to the capital programme for 2026/27 as set out in section 2.3 of this report.
3. **Note** any additional capital needs over and above what is specified in the capital programme for the relevant year will require separate business cases and be agreed by the Strategic Director of Resources (S151 Officer), Capital Strategy manager and Council Members as required and appropriate before being agreed by full Council.
4. **Approve** that the Strategic Director of Resources (S151 Officer) be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
5. **Note** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed.
6. **Approve** the capital strategy contained within this report noting its impact on both the capital programme and the financial implications for setting the revenue budget for 2026/27 to 2030/31.

7. **Approve** the Minimum Revenue Provision Policy Statement (section 9 of this report) which determines the amount of money set aside each year for the repayment of debt
8. **Agree** that the Strategic Director of Resources be authorised to re-profile capital budgets mid-year based on the updated forecasts provided by services and reported to the Executive Leadership Team as part of the capital monitoring process. This will assist in producing more accurate information for treasury management purposes.

<b>REPORT DETAIL</b>
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## **1. Capital Strategy**

### **1.1 Overview**

- 1.1.1 This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability
- 1.1.2 It aims to support strategic planning and ensure financial stability for local authorities ensuring capital expenditure is affordable and proportionate. It requires borrowing to remain within prudent and sustainable levels and demonstrates accountability and transparency in financial decision-making.
- 1.1.3 The capital strategy is underpinned by [Havering's vision](#) to be the Havering you want to be a part of. Underpinning the new vision is the corporate plan and operating model so future capital investment will be focused into the delivery of this vision for the Council.
- 1.1.4 The strategy has been prepared against a background of continuing reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic conditions and to rebalance public finances. As a result of these constraints and concerns over revenue affordability the capital strategy is focusing on a 5-year period and, whilst a longer time frame is preferred the short-term nature of the finance settlement and uncertainty over the Council's finances means a shorter capital strategy is required.
- 1.1.5 Along with the uncertainty over central government funding the Council's own resources available to finance capital projects have reduced to a low level and will need replenishing before any further capital investments can be made. As a result, the Council is considering and consulting upon a programme of asset disposals to address this situation and help finance the capital expenditure.

- 1.1.6 Projects for inclusion in the capital programme arise from a variety of sources, some of them internally generated and some arising from external factors. The more significant of these can be summarised as follows:

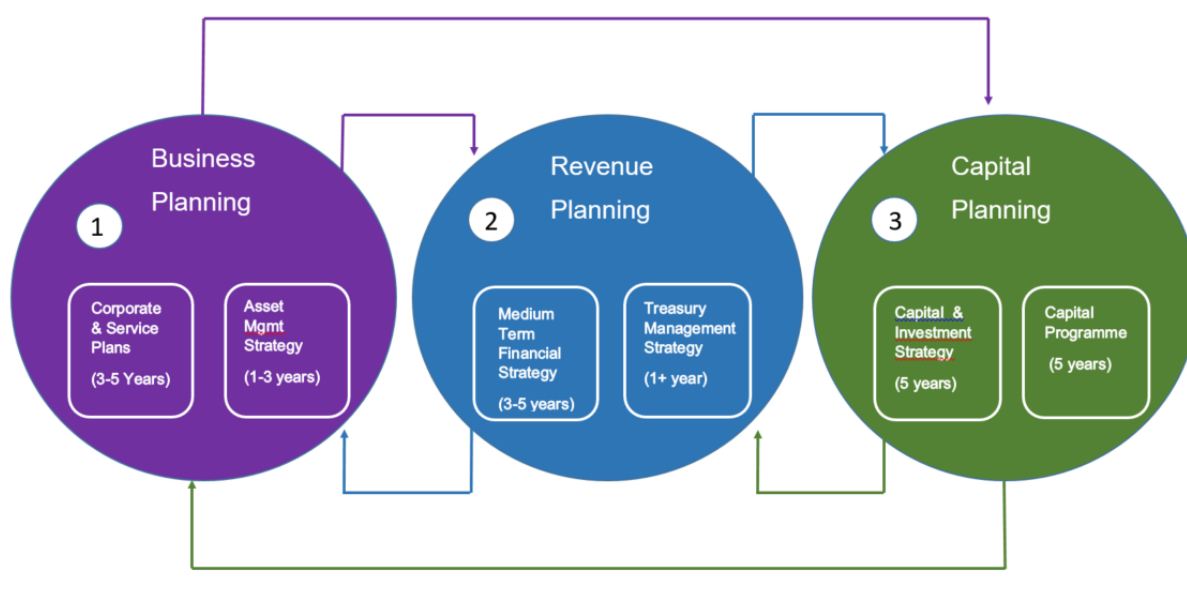
<b>Internal Factors</b>	<b>External Factors</b>
Corporate Priorities, as set out in the Council Plan	Government sponsored programmes e.g. Disabled Facilities Grants and the Schools Basic Needs programme
Investment identified in strategies, policies and plans	Unforeseen Emergency Works
Work needed to maintain property and other Assets	Works required to comply with legislation e.g. disabled access or health & safety requirements
Work needed to maintain the Council's Highways and other Infrastructure	Projects resulting from Partnership Activity
Vehicles, Plant and Equipment replacement needs	Availability of External Funding
ICT Investment and Replacement	Public Expectation that works should be carried out
Invest to Save Projects	

- 1.1.7 In addition, the Council recognises the vital contribution its Capital Investment Strategy and portfolio play in the economic growth of the borough. The Council is investing in major developments across the borough as part of its ambitious Regeneration programme which will deliver new and replacement affordable homes and enable self-sustaining communities to grow. It also welcomes the opportunity to work with the private sector to deliver its priorities and for the private sector to see Havering as a place it wants to invest in.
- 1.1.8 As well as the Council's Vision the Capital Strategy has clear links to many other strategies, policies and plans, the most significant of which are shown in the following table:

<b>Links with Other Strategies, Policies and Plans</b>
Asset Management Strategy
Investment Strategy

Medium Term Financial Strategy
Service and Financial Plans
Procurement Strategy
Housing Strategy (HRA Business Plan)
Arts and Cultural Strategy
Climate Change Plan
Treasury Management Strategy Statement (TMSS)

Strategic planning framework



- 1.1.9 Any additional capital needs over and above what is specified in the capital programme for the relevant year will require separate business cases to justify the proposed expenditure, to be agreed by the Strategic Director of Resources, Capital Strategy manager and Council Members as appropriate before being agreed by full Council.

## **1.2 Governance of Capital Approvals**

- 1.2.1 The capital programme, which is updated for new proposed schemes, revised profiling, slippage and changes in expenditure projections is presented to full Council every year for approval. The capital programme reported provides financial implications for the current MTFS reporting period of four years, however, with the Council's engagement in longer term capital investments the timeframe over which the capital programme and financing costs are monitored extend beyond this period.

- 1.2.2 The process for including new schemes in the 2026/27 capital programme was undertaken as part of the corporate budget setting process. Due to the Council's financial position, only essential new schemes have been approved with all new projects being considered by senior officers and Members ahead of this report.
- 1.2.3 Any bids for capital funding outside the approved capital programme in year will need to include a business case demonstrating either a clear link to corporate objectives or the requirement to meet an operational imperative, establish the funding source to meet the cost and follow approval processes laid down in the Council's standing orders and financial regulations.
- 1.2.4 The above investments and processes are taking place against a background of austerity and significant uncertainty in the future sources of funding for local government. Therefore, a key aim of the Council's capital strategy is that it delivers a financial return on investment, such as capital receipts or new revenue streams, or delivers key strategic priorities and benefits to the borough.
- 1.2.5 Value for money (VFM) is a key component of capital projects. As part of the business case development and evaluation process, projects will need to show that all options have been considered and that the option that has been chosen is cost efficient and effective; VFM does not mean opting for the lowest cost option. The monitoring and management of these projects against the business case assumptions ensures that the focus on value for money remains for the life of the project.
- 1.2.6 The Council has consciously chosen however, not to invest in purely commercial projects. Its capital investment is primarily related to increasing and improving the provision of a rich mix of housing tenures that help to address the acute housing need in the borough. Whilst there may be a commercial return resulting from a number of the schemes, this is not the predominant focus for the Council.

## **2. 2026/27 – 2030/31: - Five Year Capital Programme**

### **2.1 Overview**

- 2.1.1 After taking into consideration the existing approved capital programme and associated re-profiling, new bids and the capital investment plans, the full proposed capital programme has been developed for Members to approve.
- 2.1.2 Being recommended to Council for consideration and approval is the 2026/27 capital programme of £291m (£150m GF and £141m HRA) and £1,050m (£400m GF and £650m HRA) over the full five-year period from 2026/27 to 2030/31. Section 2.6.2, Table 10 of this report sets out how the proposed expenditure is being financed.

2.1.2 Requirements under the Prudential Code and the changes to PWLB lending require the Council to separate out its capital programme between its main Service Spending (education, highways & transport, social care, public health, culture & related services and environmental & regulatory services), Housing (HRA and GF) and Regeneration projects.

The following sections of this report do this: -

- Existing Service Spending capital projects (section 2.2)
- New Service Spending capital projects (section 2.3)
- Revised Housing capital projects (section 2.4)
- Revised Regeneration capital projects (section 2.5)

2.1.3 The capital budgets submitted for approval of expenditure are presented reflecting anticipated slippage from the existing capital programme. Any additional slippage will be reported and rolled forward into 2026/27 as part of the closure of the 2025/26 accounts.

## **2.2 Existing Service Spending Capital Projects**

2.2.1 The existing capital programme was approved as part of the 2025/26 budget setting process. This programme is reviewed as part of the corporate monitoring processes each quarter and the progress against the budget is scrutinised. As a result of this review, re-profiling of certain projects spending plan are identified and have been included in the revised Capital programme in this report.

**Table 1 - Existing Service Spending Capital Programme**

Directorate	2026-27 Budget £m	2027-28 Budget £m	2028-29 Budget £m	2029-30 Budget £m	2030-31 Budget £m	Total Budget £m
Ageing Well	2.123	0.000	0.000	0.000	0.000	2.123
Living Well	1.215	3.381	0.000	0.000	0.000	4.596
Starting Well	12.820	27.546	0.000	0.000	0.000	40.366
<b>People Total</b>	<b>16.158</b>	<b>30.928</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>47.085</b>
Environment	11.650	7.000	7.000	7.000	0.000	32.650
Housing & Property (GF)	40.541	0.500	0.500	0.000	0.000	41.541
Planning & Public Protection	0.770	0.000	0.000	0.000	0.000	0.770
<b>Place Total</b>	<b>52.961</b>	<b>7.500</b>	<b>7.500</b>	<b>7.000</b>	<b>0.000</b>	<b>74.961</b>
Finance	1.929	0.000	0.000	0.000	0.000	1.929
IT, Digital and Customer	1.783	0.000	0.000	0.000	0.000	1.783
<b>Resources Total</b>	<b>3.712</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>3.712</b>
<b>Total (Excluding HRA and Regeneration)</b>	<b>72.832</b>	<b>38.428</b>	<b>7.500</b>	<b>7.000</b>	<b>0.000</b>	<b>125.759</b>

**2.2.2 The funding streams to finance the above spend is as follows****Table 2 - Existing Service Spending Financing**

<b>Financing</b>	<b>2026-27 Budget £m</b>	<b>2027-28 Budget £m</b>	<b>2028-29 Budget £m</b>	<b>2029-30 Budget £m</b>	<b>2030-31 Budget £m</b>	<b>Total Budget £m</b>
Capital Receipts	1.001	2.691	0.000	0.000	0.000	<b>3.692</b>
Revenue and Reserve Contributions	1.042	0.000	0.000	0.000	0.000	<b>1.042</b>
Grants & Other Contributions	48.744	27.546	0.000	0.000	0.000	<b>76.291</b>
Borrowing	22.045	8.191	7.500	7.000	0.000	<b>44.735</b>
<b>Total Funding</b>	<b>72.832</b>	<b>38.428</b>	<b>7.500</b>	<b>7.000</b>	<b>0.000</b>	<b>125.759</b>

**2.3 New Service Spending Capital Projects**

2.3.1 In addition to the existing capital programme there has also been a review of the future capital requirements undertaken across the business. The updated new bids are shown in Table 3 below. Cabinet is asked to recommend these bids totalling £29m over the 5 years to Council for approval as part of the approval of the total Capital Programme. Considering the Council's financial position, the majority of the new capital projects being proposed relate to essential building safety/condition works, grant funded works, and investment to save proposals relating to Children's social care. There also is investment being added to the Capital Programme to improve the Council's parks and open spaces.

**Table 3 – New Service Spending Capital Projects**

<b>Internally Funded Schemes Presented for Approval</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
<b>People - Living Well</b>						
Capital to support MTFS*	0.500	0.000	0.000	0.000	0.000	<b>0.500</b>
<b>People - Starting Well</b>						
Creation of 2 buildings for children with high complex needs*	2.200	0.000	0.000	0.000	0.000	<b>2.200</b>
Residential Unit offering residential care for children with disabilities*	2.120	1.800	0.000	0.000	0.000	<b>3.920</b>
<b>Place - Environment</b>						
Highways (Roads & Pavements)	0.000	0.000	0.000	0.000	6.000	<b>6.000</b>
Highways (Lighting)	0.000	0.000	0.000	0.000	1.000	<b>1.000</b>
Parks - Play & Recreational Improvements	0.120	0.120	0.120	0.000	0.000	<b>0.360</b>
Parks - Infrastructure Improvements	0.050	0.050	0.050	0.000	0.000	<b>0.150</b>
Parks - Landscaping	0.015	0.015	0.015	0.000	0.000	<b>0.045</b>
Parks - Allotments	0.015	0.015	0.015	0.000	0.000	<b>0.045</b>
<b>Place - Housing &amp; Property</b>						
Corporate Estates - Asbestos	0.500	0.500	0.500	0.000	0.000	<b>1.500</b>
Corporate Estates - Building Works	0.000	2.000	2.000	0.000	0.000	<b>4.000</b>
Transport - 5 Passenger Transport Busses	1.042	0.000	0.000	0.000	0.000	<b>1.042</b>
Transport - Grounds Maintenance Ride on Mowers	0.399	0.000	0.000	0.000	0.000	<b>0.399</b>
<b>Total Internally Funded Schemes</b>	<b>6.961</b>	<b>4.500</b>	<b>2.700</b>	<b>0.000</b>	<b>7.000</b>	<b>21.161</b>



<b>Externally Grant Funded Schemes Presented for Approval</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
<b>Place - Housing &amp; Property</b>						
Schools Conditions Programme (indicative)*	2.801	0.000	0.000	0.000	0.000	<b>2.801</b>
<b>People - Ageing Well</b>						
Better Care Fund/ Disabled Facilities Grant (indicative)	2.552	0.000	0.000	0.000	0.000	<b>2.552</b>
<b>Place - Environment</b>						
TFL - Core Local Implementation Plan (indicative)	1.432	0.000	0.000	0.000	0.000	<b>1.432</b>
<b>Total Externally Grant Funded Schemes</b>	<b>6.785</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.785</b>

<b>CIL Funded Schemes Presented for Approval</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
<b>Place - Housing &amp; Property</b>						
Market Place Re-design	1.000	0.000	0.000	0.000	0.000	<b>1.000</b>
Rainham Marshes H&S and Flood Management	0.050	0.000	0.000	0.000	0.000	<b>0.050</b>
Town Centre Streetscape Improvements	0.183	0.000	0.000	0.000	0.000	<b>0.183</b>
<b>Total New CIL Funded Capital Projects</b>	<b>1.233</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.233</b>

<b>Total New Capital Projects</b>	<b>14.979</b>	<b>4.500</b>	<b>2.700</b>	<b>0.000</b>	<b>7.000</b>	<b>29.179</b>
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\* Schemes are subject to full Business Cases being approved before expenditure can commence

\*\* The indicative schools conditions programme is set out in detail in appendix 2. If the grant differs from the indicative allocation the schemes will be adjusted accordingly.

- 2.3.2 The bids being funded from borrowing include £0.5m of investment required to deliver potential MTFS savings that will be subject to further approval following a full business case.
- 2.3.3 There are also bids to build 2 properties for children with high complex needs (£2.2m) and a residential unit offering residential care for children with disabilities (£3.92m). Whilst the majority of the costs will be funded from borrowing, the council has been awarded £1m of DfE funding. A full business case is being drawn up to present to Cabinet for both projects.
- 2.3.4 An additional £7m per year for 2030/31 is included to extend the existing commitment to the resurfacing of roads and pavements. This is to provide certainty of budgets regarding re-tendering of long-term contracts to undertake the work and achieve savings.
- 2.3.5 Also included within the proposed capital programme is an allocation of £0.6m for parks improvements. These include the enhancement of play sites and

infrastructure improvements such as fencing, pathways, signage and furniture, Landscaping to improve green spaces and assisting in biodiversity and the environment and supporting community gardening projects across the borough.

- 2.3.6 The list of proposed schemes to be added to the capital programme also includes essential works to the corporate estate buildings (£4m) along with essential Asbestos works (£1.5m).
- 2.3.7 In addition to the projects above that are being funded from borrowing, included within the proposed capital programme are the purchase of 5 passenger transport busses to replace existing fleet that have reached the end of their lives and the replacement of grounds maintenance ride on mowers. These purchases are being financed from the internal leasing reserve which is money set aside for replacement vehicles and fleet.
- 2.3.8 The externally funded schemes being added to the capital programme are the schools condition programme, the disabled facilities grant and the TfL Local Implementation Plan for Highways. These sums are funded from grant allocation and do not incur revenue financing costs as there is no borrowing associated with these schemes.
- 2.3.9 A Community Infrastructure Levy (CIL) scheme was initiated in Havering in 2020/21, and the council receives CIL payments which are available to finance infrastructure spend. There has been significant work undertaken by the Infrastructure Steering Group on a protocol for managing the CIL process and to ensure that the council gets the best added value for the CIL it receives. The aim for the investment of the CIL is to ensure it is utilised to enhance the infrastructure of the council, and it should therefore link to the Infrastructure and Local area plan. The development of the CIL monitoring and pipeline forecasting information will enable strategic decisions about where that investment should be made. The latest figures on the availability of CIL identifies the contributions banked and potential pipeline receipts. Prudent financial planning would dictate that the council allocates CIL funding in line with its priorities.
- 2.3.10 A two speed system has been set up for small bids up to £50k and large bids over £50k. Small bids can be agreed for funding to be released at any point during the year. This is to allow flexibility to deliver smaller projects in a more agile way and making securing match funding more likely. Large bids will be agreed as part of the annual Capital Programme and included in this report. This is to allow appropriate consideration of the financial implications taking into account other potential competing demands.
- 2.3.11 Members are asked to approve the CIL funded projects set out in table 3 which have all been approved through the Infrastructure Planning and Delivery Board

(IPaDB) followed by Theme Board, the 2 boards tasked with overseeing CIL allocations.

2.3.12 The funding streams to finance the proposed new projects are as follows:

**Table 4 – New Service Spending Financing**

<b>Funding Sources of Schemes Presented for Approval</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
Capital Receipts	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Revenue and Reserve Contributions	1.441	0.000	0.000	0.000	0.000	<b>1.441</b>
Grants & Other Contributions	9.018	0.000	0.000	0.000	0.000	<b>9.018</b>
Borrowing	4.520	4.500	2.700	0.000	7.000	<b>18.720</b>
<b>Total Funding of New Capital Projects</b>	<b>14.979</b>	<b>4.500</b>	<b>2.700</b>	<b>0.000</b>	<b>7.000</b>	<b>29.179</b>

## **2.4 Revised Housing Revenue Account Capital Projects**

2.4.1 The HRA business plan and the 2026/27 HRA Rent Setting report is included elsewhere on this agenda. As well as setting out the revenue budgets for the financial year ending 31<sup>st</sup> March 2027 the plan also sets out the medium-term capital programme for Housing. A summary of the plans can be seen in the table below:

**Table 5 – Revised Housing (HRA) Capital Programme**

<b>Proposed HRA Capital Programme</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
Stock capital investment	38.194	39.560	35.347	33.902	34.619	<b>181.623</b>
Other Improvements	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Development/Acquisition	89.842	75.433	88.069	111.696	64.896	<b>429.937</b>
Demolition & Forward Funding	5.585	3.043	2.991	2.388	2.087	<b>16.093</b>
Other Regeneration	7.411	10.753	1.320	1.474	1.364	<b>22.322</b>
<b>Total HRA Capital Expenditure</b>	<b>141.031</b>	<b>128.790</b>	<b>127.727</b>	<b>149.460</b>	<b>102.966</b>	<b>649.974</b>

2.4.2 Whilst there is no direct provision made for the repayment of debt (and therefore no Minimum Revenue Provision) the inclusion of the repayment of loans has still been included in the long-term business plan for the HRA. To reflect this in the service revenue expenditure, unlike in the General Fund, depreciation is a true cost to the service which is then used to finance capital expenditure through the mechanism known as the Major Repairs Reserve (MRR).

2.4.3 Included within the HRA business plan is how the service are proposing to finance the capital expenditure and is summarised in the table below:

**Table 6 – Revised Housing (HRA) Capital Financing**

<b>Proposed HRA Capital Programme</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
Major Repairs Reserve (MRR)	11.340	11.666	12.352	12.636	13.157	<b>61.151</b>
RTB receipts (Allowable Debt)	0.894	0.918	0.942	0.967	0.993	<b>4.715</b>
RTB receipts (1-4-1 receipts)	5.479	2.343	4.432	5.157	4.160	<b>21.570</b>
Other Grants & Contributions	69.881	8.568	25.376	4.670	43.444	<b>151.938</b>
Revenue contributions (HRA)	1.733	1.733	1.733	0.000	0.000	<b>5.199</b>
HRA Prudential Borrowing	51.704	103.562	82.892	126.030	41.212	<b>405.401</b>
<b>Total HRA Capital Funding</b>	<b>141.031</b>	<b>128.790</b>	<b>127.727</b>	<b>149.460</b>	<b>102.966</b>	<b>649.974</b>

2.4.4 All HRA regeneration schemes will continue to be reviewed on a regular basis to ensure schemes are still viable and affordable as per the HRA business plan.

## **2.5 Regeneration Capital Projects**

2.5.1 The table below shows a summary of the current spending plans for all of the GF regeneration schemes being proposed. A full listing of the projects can be found in appendix 3.

**Table 7 – Regeneration Capital Programme**

<b>Summary of Regeneration Programme</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
Mercury Land Holdings	22.970	36.169	55.592	56.020	20.918	<b>191.671</b>
Rainham & Beam Park	4.615	7.500	0.000	0.000	0.000	<b>12.115</b>
Bridge Close (Medical facilities & School)	18.614	4.883	0.000	0.000	0.000	<b>23.497</b>
Farnham & Hilldene	12.131	1.266	0.000	0.000	0.000	<b>13.396</b>
Other Regeneration Schemes	4.427	0.000	0.000	0.000	0.000	<b>4.427</b>
<b>Total GF Regeneration Programme</b>	<b>62.757</b>	<b>49.818</b>	<b>55.592</b>	<b>56.020</b>	<b>20.918</b>	<b>245.106</b>

2.5.2 It should be noted that the proposed regeneration programme members are being asked to approve within this report is comparable in size to the regeneration programme approved as part of the budget setting process for 2025/26. An additional £50m of capital funding was authorised by Cabinet for Mercury land Holdings prior to the 26/27 budget setting process to fully fund the MLH Business Plan.

2.5.3 The proposed funding of these schemes is set out in the table below:

**Table 8 – Regeneration Capital Financing**

<b>Financing</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>	<b>2030/31 £m</b>	<b>Total £m</b>
Capital Receipts	2.537	7.500	0.000	0.000	0.000	<b>10.037</b>
Revenue and Reserve Contributions	0.102	0.000	0.000	0.000	0.000	<b>0.102</b>
Grants & Other Contributions	16.472	0.000	0.000	0.000	0.000	<b>16.472</b>

Borrowing	43.646	42.318	55.592	56.020	20.918	<b>218.495</b>
<b>Total Funding</b>	<b>62.757</b>	<b>49.818</b>	<b>55.592</b>	<b>56.020</b>	<b>20.918</b>	<b>245.106</b>

\* Use of capital receipts to finance the regeneration programme include £10m for potential CPO's relating to the Rainham & Beam Park housing zone. CPO's can only be initiated by the authority so any CPO's undertaken would be funded by receipts generated by immediately selling the property onto the Joint Venture.

- 2.5.4 With regeneration being the key objective, the Council considers the cost and return of its investment against the importance of building much needed affordable homes in the Borough, and estate renewal programme. The principal risk exposures for each regeneration scheme are set out in the individual business cases but include risks such as fall in capital values, inflation and interest rate risk. These risks are managed through the individual business cases which show detailed modelling of the risk factors and their impact. In order that commercial investments remain proportionate to the size of the authority, whilst there is no overall maximum investment limit, every business case is reviewed with the full impact of the decision assessed before a decision to proceed or abandon the scheme being made.
- 2.5.5 The primary reason for undertaking these schemes is regeneration delivering new homes in accordance with the Council's strategic aims and plans. The business cases have also identified a number of additional benefits arising alongside the regeneration. One of the benefits is the estimated financial return to the Council that will arise as a result of the delivery of the projects. The return generated from these regeneration projects will offset the budget pressure arising from the capital financing costs of borrowing and provide future funds for reinvestment. There will also be a return to support the Council's Medium Term Financial Strategy from the Council's wholly owned subsidiary Mercury Land Holdings as a result of the Council making loans to the company. Full details of the additional pressures and savings for the individual schemes are included in the Medium Term Financial Strategy.
- 2.5.6 The primary existence of these regeneration projects are for regeneration purposes and it's important to acknowledge that these income streams can be more volatile than other investments made solely for treasury purposes (details of which are set out in the Treasury Management Strategy Statement (TMSS) elsewhere in the agenda). Members are reminded that over reliance on these income streams should not be made when setting a balanced budget and that by approving these schemes, Members are happy with the overall balance of income that these projects contribute to the budget setting process.

## **2.6 2026/27 to 2030/31 Five Year Capital Programme**

- 2.6.1 Subject to Member approval, the following table sets out the proposed total combined capital programme for the financial years 2026/27 through to 2030/31 covering the existing capital programme, new bids, HRA and Regeneration:

**Table 9 – Proposed Total Capital Programme**

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
<b>People</b>						
Ageing Well	4.675	0.000	0.000	0.000	0.000	<b>4.675</b>
Living Well	1.715	3.381	0.000	0.000	0.000	<b>5.096</b>
Starting Well	17.140	29.346	0.000	0.000	0.000	<b>46.486</b>
	<b>23.530</b>	<b>32.728</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>56.257</b>
<b>Place</b>						
Environment	13.282	7.200	7.200	7.000	7.000	<b>41.682</b>
Housing & Property (GF)	46.516	3.000	3.000	0.000	0.000	<b>52.516</b>
Planning & Public Protection	0.770	0.000	0.000	0.000	0.000	<b>0.770</b>
Regeneration & Place Shaping	62.757	49.818	55.592	56.020	20.918	<b>245.106</b>
	<b>123.326</b>	<b>60.018</b>	<b>65.792</b>	<b>63.020</b>	<b>27.918</b>	<b>340.075</b>
<b>Resources</b>						
Finance	1.929	0.000	0.000	0.000	0.000	<b>1.929</b>
IT, Digital and Customer	1.783	0.000	0.000	0.000	0.000	<b>1.783</b>
	<b>3.712</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>3.712</b>
<b>Total GF Capital Expenditure</b>	<b>150.568</b>	<b>92.745</b>	<b>65.792</b>	<b>63.020</b>	<b>27.918</b>	<b>400.045</b>
<b>Housing &amp; Property (HRA)</b>	<b>141.031</b>	<b>128.790</b>	<b>127.727</b>	<b>149.460</b>	<b>102.966</b>	<b>649.974</b>
<b>Total Capital Expenditure</b>	<b>291.600</b>	<b>221.535</b>	<b>193.519</b>	<b>212.481</b>	<b>130.884</b>	<b>1,050.019</b>

2.6.2 If the capital programme is agreed the capital expenditure will be financed as follows:

**Table 10 – Financing of Capital Programme**

Financing	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Capital Receipts	9.911	13.452	5.374	6.124	5.153	<b>40.014</b>
Revenue and Reserve Contributions	15.658	13.399	14.085	12.636	13.157	<b>68.935</b>
Grants & Other Contributions	144.115	36.114	25.376	4.670	43.444	<b>253.719</b>
Borrowing	121.915	158.570	148.684	189.051	69.131	<b>687.351</b>
<b>Total Funding</b>	<b>291.600</b>	<b>221.535</b>	<b>193.519</b>	<b>212.481</b>	<b>130.884</b>	<b>1,050.019</b>

## **2.7 Access to Borrowing**

2.7.1 The government has acknowledged the valuable contribution that local authorities make to the social and economic infrastructure of this country, and is committed to the approach of local decision-making and accountability under the prudential regime when setting its capital programme

2.7.2 To support local investment and to encourage capital investment, local authorities can access low-cost loans through the Public Works Loan Board (PWLb). The purpose of the PWLB is to offer long-term, affordable loans to support local

authority investment in service delivery, housing, economic regeneration, treasury management, and occasionally preventative action, under the prudential regime.

- 2.7.3 In February 2020 Parliament reformed the statutory basis of the PWLB, transferring its lending powers to HM Treasury. In March 2020 the government consulted on revising the PWLB's lending terms to reflect these new governance arrangements, and to end the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets primarily for yield. The government published its response to this consultation and implemented these reforms in November 2020.
- 2.7.4 The key change in the PWLB lending change as a result of these reforms is Local Authorities can no longer access PWLB funds without confirmation from the S151 Officer that the authority does not plan to buy investment assets primarily for yield in the next 3 years. This is confirmed both at the start of the year in a return to HM Treasury setting out the authorities' capital plans and in any application to the PWLB for additional loans.
- 2.7.5 In addition to borrowing from the PWLB local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the prudential code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield.
- 2.7.6 As set out in the proposed capital programme below, prudential borrowing is a key financing source in the funding of the authority's capital programme, so it is important that the approved capital programme does not include any schemes that are primarily for investment purposes. Investment assets would usually have one or more of the following characteristics
- Buying land or existing buildings to let out at market rates
  - Buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority
  - Buying land or buildings other than housing which generate income and are intended to be held indefinitely rather than until the achievement of some meaningful trigger

The Council does not have any such schemes in its proposed capital programme.

### **3. Regeneration and Investment Strategy**

- 3.1 With central government financial support for local public services declining, the Council has invested via the Regeneration Board in a number of joint ventures and subsidiaries which are included in the capital programme.

#### **Havering and Wates Regeneration Joint Venture (HRA)**

The Council's overarching vision for the Havering and Wates Regeneration Joint Venture (HWR) is to enable the regeneration of key areas across the borough, delivering much needed renewal of town centres and estates while providing affordable homes for local residents. Through its role as a joint owner of the development company, the Council is able to exercise significant control over the design process, ensuring high-quality outcomes for buildings and public spaces alongside the delivery of essential infrastructure.

### **Bridge Close (HRA & GF)**

The Council established a joint venture development vehicle, Bridge Close Regeneration LLP to bring forward the proposed regeneration of the site known as Bridge Close, a dated industrial area close to Romford Station. Following the Council acquiring full control of Bridge Close Regeneration LLP on the 16<sup>th</sup> of December 2020, Cabinet considered a number of recommendations relating to the future delivery of the scheme and approval was granted for the Council to deliver the regeneration of the area directly through Council resources, predominantly using the Housing Revenue Account. The General Fund element consists of a new school and medical centre that will be delivered as part of the development.

### **Rainham & Beam Park (GF)**

Rainham & Beam Park is the only council regeneration scheme funded from the general fund. The original vision for the project is to transformation of a declining industrial area into a new urban community providing much needed affordable housing. Spend to date has been around shaping development proposals, working on compulsory purchase orders and acquiring land for regeneration in Rainham. Activity has reduced due to complications around the delivery of Beam Park Station

### **Mercury Land Holdings (GF)**

Mercury Land Holdings is the Council's wholly owned property development company established to:

- Deliver good quality and well-managed PRS (Private Rented Sector) homes in the borough, in response to local demand
- Make use of Council assets to increase value over the longer term
- Ensure a mix of housing in terms of type, size and tenure
- Provide affordable housing opportunities for the HRA/RSL's through MLH developments & relationships
- Support regeneration in key parts of Havering

The Council's investment in MLH in terms of loans and equity are included in the capital programme. The investment is managed via a shareholder's board



arrangement and MLH submit a business plan each year with investment plans for consideration and approval by Cabinet.

3.2 In addition to the above housing projects there are two Infrastructure projects in the capital programme, Beam parkway and Romford Liveable Neighbourhoods. Both are road/place shaping projects aiming to improve driver and pedestrian safety and increase biodiversity through planting and greening. Both schemes are entirely funded through external grants, community infrastructure levy and S106 planning agreements so there is no impact on revenue expenditure through borrowing.

3.3 The majority of capital expenditure on the above regeneration schemes are classified as non-treasury investments and are managed via the Regeneration Board. The purpose of the Regeneration Board is to deliver the overarching objectives of the Council's regeneration and investment programme by ensuring that:

- The Council's JVs are delivering to timelines and respective business plans.
- The JVs are meeting their KPI's, and Council objectives are being met.
- The Council's best interests are being served in all negotiations and transactions that the JV's enter into.
- The Council is achieving Value for Money.
- The Council is fulfilling its contractual obligations, and in particular, dealing with any 'reserved' or 'consent' matters as they arise.
- The Council's own workstreams are being managed effectively.
- The inter-dependencies between the Council's workstreams and those of the JV's are managed effectively.

#### **4. Investment Property Strategy**

4.1 The Council retains a property investment portfolio which although primarily held for supporting economic regeneration in the borough, also receives financial gain. These holdings stem from a mixture of historic purchases and assets always owned and held by the Council. The assets are managed by Property Services with the aim of maximising yield from the existing estate by removing liabilities and securing future income streams.

4.2 The property investment portfolio has a balance sheet value of over £46m and is expected to produce a rental income of circa £4.7m per annum. With economic regeneration being the main objective, the Council accepts higher risk on its commercial investment portfolio than with treasury investments. The principal risk exposure includes voids and falls in capital value. In order to minimise the liability to the Council the portfolio is actively managed by property services on a commercial basis. The income received from the Council's property investment

portfolio contributes towards making the Council's funding more sustainable reducing the reliance on government funding, local business rates and council tax.

- 4.3 The Council currently has no plans to increase the number of Investment Properties via the capital programme.

## **5 Asset Management**

- 5.1 The Council has responsibility for assets used in service delivery including property, highways infrastructure (roads, footpaths, structures and lighting), land and council dwellings. It is important to understand the need, utilisation, condition and the investment and operating cost requirements of assets, whether owned or leased.
- 5.2 Capital expenditure is defined as spending on acquiring, creating or enhancing non-current assets (like land, buildings, vehicles, or infrastructure) that provide benefit for more than one financial year, distinguishing it from routine revenue spending.
- 5.3 When prioritising capital expenditure, it is essential to understand the long-term cost of maintaining and operating existing assets and their fitness for purpose and having consideration of which are deemed essential in continued service delivery, or which can be considered for alternative uses. The backlog of maintenance in some key assets is recognised and alternative approaches to longer term solutions will be considered to address the risks this poses rather than continued capital investment by the Council in the same assets
- 5.4 Approved asset management plans are in place for property assets including dwellings that demonstrate the Council's stewardship of assets and a disposals strategy approved by Cabinet is also in place (see section 5 for further details). The disposals strategy includes using property and land effectively across the Council by using suitable sites for the building of affordable housing.

**The Asset Strategy Model**



**6. Disposals Policy**

- 6.1 As the Council has pursued a policy of selling surplus sites for many years it becomes more difficult to identify new sites for disposal that do not pose challenges, either technically or in terms of planning, and especially in respect of objections to disposal that arise in many cases. Nonetheless, constant and on-going appraisal of property assets to identify disposal opportunities is a best practice tenet on all local authorities.
- 6.2 Nationally, councils are shifting their approach and considering sites for self-development in line with corporate need. Through capital spend; they are able to generate savings and new forms of revenue income.
- 6.3 As well as ensuring that the portfolio of retained property is suitable for the operational needs of the Council, there is a continuing need to generate capital receipts from the disposal of assets in order to pursue capital projects. The current Asset Disposal Programme was approved by Cabinet in January 2024 as the review and identification of new disposal and capital receipt opportunities is an essential contribution to funding the Council's capital programme and significantly reduces the impact of capital financing costs on revenue.

**7. Capital Receipts**

- 7.1 The planned capital programme includes assumption of the generation of £30m capital receipts (£10m per year for 3 years) to help reduce the borrowing requirements and is reflected in the Asset Disposal Programme. Any shortfall in receipts will mean additional borrowing costs and therefore a pressure in the Medium Term Financial Strategy (MTFS).
- 7.2 Current forecasts indicate a shortfall in the capital receipts target of £0.8m although additional sites for disposal are being investigated.
- 7.3 It should be noted that income from capital receipts are generally applied to finance short life assets where capital financing costs would be high. On average for every £1m not achieved in asset sales this would equate to an additional pressure of £240k each year in the MTFS.

## **8.0 Flexible Use of Capital Receipts and Transformation**

- 8.1 In December 2023, the Government announced the continuation till 2030 of the flexible use of capital receipts directive which allows Authorities to use capital receipts to finance revenue transformation expenditure for any project that is designed to generate ongoing revenue savings. Authorities are required to list each project and the savings that are being generated as a result of the project.
- 8.2 Following consultation on the use of flexible capital receipts in 2024, updated guidance was issued by Government in March 2025 with no significant changes in the use of receipts to finance revenue transformation expenditure.
- 8.3 As set out in section 5 of this report, capital receipts are already earmarked for financing the existing capital programme to reduce the requirement to borrow meaning there is currently no unallocated receipts available for this purpose.

## **9.0 Exceptional Financial Support (EFS)**

- 9.1 Since 2020, the government has agreed to provide a number of local authorities with support via the Exceptional Financial Support framework. Support provided via this framework is usually provided in the form of a capitalisation direction. Capitalisation directions permit a local authority to meet revenue costs through capital resources.
- 9.2 The Council has faced rapidly increasing demand pressures in 2025/26 which together with inadequate grant funding from central government has meant that in order to set a balanced budget for 2025/26 (a requirement by statute), the Council has had no choice but to apply for financial support via this framework.

- 9.3 In respect of the financial year 2025/26 the government has agreed to provide 30 councils with support to manage financial pressures via the EFS framework and for 17 of these this included agreement to support for prior years. Through the EFS framework, Havering has support agreed in principle for £88m in 2025/26 with further support expected to be required for 2026/27 and beyond.
- 9.4 In 2024/25, the final outturn position meant a take-up of the EFS to the value of £30.4m was needed and this has been temporarily funded from internal borrowing ahead of borrowing longer term from the PWLB.
- 9.5 The latest revenue projection for 2025/26 means that £60m of the £88m allocation is expected to be required. The capital receipts position means that the authority will have no choice but to fund the revenue pressure from borrowing. Whilst changes to the EFS framework have meant that higher interest rates will now not apply, this does equate to additional financing costs of around £6m per year (for 20 years) as provision for the repayment of debt along with interest associated with the borrowing needs to be set aside.

## **10.0 Risk Management and Mitigation**

- 10.1 For large complex projects, professional specialist external advice and services would be sourced to undertake due diligence and to understand the risks associated with the project and inform decision making
- 10.2 Specific risks for individual schemes are contained within the project business cases. The scale and importance of the project will dictate the level of business case evaluation. Sound business case protocols can mitigate the risk of business case collapse with appropriate levels of contingency being built into the business case to mitigate risks.
- 10.3 Major regeneration and housing projects constitute most of the Council's capital portfolio and these inherently carry risk, most of which is outside the Council's control. Whilst the Council does not have control over these risks it is important to be aware of them and manage them as best as possible. These risks include but are not limited to:
- Interest Rate Risk – The Councils capital portfolio is heavily dependent on borrowing and is therefore exposed to fluctuations in interest rates. Interest rate risk is managed indirectly through the TMSS and through our treasury advisers Link Asset Services
  - Inflation Risk – Capital projects, due to their often-long time frame are particularly vulnerable to inflation. The Governments latest inflation forecasts indicate that inflation would rise to 2.6% in 2025 and then slowly

return to 2% by the forecast horizon. Inflation risk is always a concern as slippage can potentially decrease the purchasing power. This can be mitigated by good project management, clearly identified cash flow projections and negotiating fixed price contracts where possible.

- Legislative – Changes in statute and regulations will impact capital projects as they must comply with current legislation. To mitigate this risk the Council must horizon scan and remain aware of any changes in the pipeline which might affect projects and make allowance accordingly through proper governance channels.
- Market health and commercial values – the portfolio is complex, and the successful delivery of various aspects of the project may depend to a large extent on the commercial environment. Examples are property rental income, capital receipts and the future health of the property market. Assumptions are made which underpin projections with the Council relying on expert advice and good performance monitoring to mitigate this risk.
- Partners – Increasingly, major projects are not delivered solely by the Council itself, but by developers either alone or jointly with the Council or its delivery subsidiary. Whilst using a developer transfers risk away from the Council, this means extra costs and therefore a balance is required. Risks associated with newly required subsidiaries and joint ventures will decrease with time as experience is gained.
- Supplier financial stability – Like with any project the importance of the supplier's financial stability in fulfilling the Council's needs is vital. To mitigate this, the Council as part of the procurement of the contract, considers the financial robustness of all contractors and partners and requests appropriate financial standing assurance.
- Reputational Risk – This is particularly relevant to the public sector and can result in the public losing faith in the organisation. The risk can be mitigated by good project management and communication with clear expectations of all stakeholders being key.
- Project delivery – In the main, these are unforeseen delays and increases in costs. Apart from building in contingencies there are a range of measures that can mitigate these risks. Effective scrutiny of business cases at the outset will ensure robustness of projects included in the programme. During the life of the project, risks are monitored with risk registers being properly maintained and updated. Regular highlight reporting keeps stakeholders informed to allow early intervention where necessary. In the case of complex major projects, professional experts are used at all required stages to ensure effective delivery.

- Portfolio delivery capacity – The capital programme set out in the capital strategy total over £1 billion over the 5-year life cycle. A priority is to ensure sufficient project delivery expertise, enabling support and supply chain capacity is available to deliver the Council's ambitions and outcomes, on time and to agreed costs. Whilst some of these costs can be capitalised and included in the capital cost of the project, projects will require revenue support such as support on governance and finance and procurement support. This risk can be mitigated by ensuring officers are suitably trained and equipped and that service plans include appropriate levels of expertise.

## **11. Minimum Revenue Provision Policy Statement**

- 11.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum provision requirement since 2008, The Local Government Act 2003 requires the Authority to have regard to the MHCLG *Guidance on Minimum Revenue Provision* updated in 2020 and again in April 2024.

The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

- 11.2 The Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.

- For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £2.9m on a reducing balance method.
- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments, but under exceptional circumstances the annuity method may apply. Furthermore, where appropriate provision of MRP will commence in the year after the asset becomes operational.

- 11.3 Estimated life periods will be determined under delegated powers. The Authority may defer to the estimated useful economic life periods specified in the MRP guidance but reserves the right to determine such periods and prudent MRP.

As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

- 11.4 Since the amendments to the regulation in 2008, there is no statutory provision that excludes borrowing used to finance capital expenditure on housing assets from the duty to make MRP. However, as local authorities are required to charge depreciation to the surplus or deficit on the provision of services in the HRA, a local authority may determine that no further charge for MRP is required, provided that it has determined that through its duty to charge depreciation and hold a Major Repairs Reserve that prudent provision has been made.
- 11.5 On the above basis no HRA MRP will be made for expenditure on housing assets. Any accounting events that would lead to debt not being set aside for repayment, however, would be reviewed to assess the need for any voluntary MRP contribution from the HRA.
- 11.6 **Third party loans** – Under statutory requirements the payment of the loan will normally be treated as capital expenditure. The subsequent loan repayments, (which are treated as capital receipts under statutory requirements), will be used to reduce the long-term liability and consequently the CFR. As a result, MRP will not generally be charged on the loan providing the loan repayment means that the debt will be repaid.

The Authority keeps under review all loans to 3<sup>rd</sup> parties and should there be an expectation that loans will not be repaid in full MRP would be made in this respect to ensure that prudent provision is made for the repayment of debt. This would include loans held by the HRA.

## **12. Knowledge and Skills**

- 12.1 All capital investment approvals are subject to robust consideration and challenge by members and officers from across the Council with extensive Local Government experience from varying backgrounds.
- 12.2 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and



investment decisions. The Council also has a training and development programme to support staff to study towards relevant professional qualifications, to ensure officers are kept abreast of new developments and to ensure their Continuous Professional Development.

- 12.3 Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 12.4 Member training is undertaken as part of the induction programme following any election and in particular for new members. Specialist training and advice is also provided to relevant cabinet portfolio members which is either conducted by members of staff or external specialist sources to ensure that members have the required skillset to scrutinise and challenge as appropriate.
- 12.5 The Council's property portfolio is managed by its property services team within the Housing & Property service. The team has extensive knowledge of the Havering property market and experience dealing with a mix of property types and professional work including landlord and tenant, statutory valuations, acquisitions and disposals and commercial and residential property management. Where required and with due diligence, the Council may also appoint external agents to advise on specialist matters or to access specialist expertise that may not be available 'in house'. An example of this is the appointment of RICS registered valuers to provide valuations required for the production of the statement of accounts.

## **REASONS & OPTIONS**

### **Reasons for the Decision**

The Council is required to approve the Capital Strategy and set a capital programme as per the 2021 update to the Prudential Code for Capital Finance in Local Authorities and the Treasury Management in the Public Services Code of Practice.

### **Alternative Options Considered**

There are no alternative options in so far as approving the capital strategy and setting the capital programme. However, there are options in respect of the various projects within the capital programme.

## **IMPLICATIONS & RISKS**

## **Financial Implications and Risks**

The Council needs to manage and control its future capital programme and investment very carefully to ensure that it meets its fiduciary responsibilities. It will need to carefully prioritise future capital investment to deliver optimum outcomes as resources become increasingly scarce. A number of new schemes rely upon borrowing which creates a long-term budgetary commitment for the Council for which it anticipates that it will receive financial returns of income in addition to meeting the primary objectives of economic development and regenerations. It is therefore essential that there is robust and proactive management of all capital projects going forward in order to deliver the financial plans set out in each approved business case. In particular, the delivery of income streams due from the series of Regeneration led projects for housing development are crucial and underpin the Council's ability to meet the cost of this capital investment and generate future revenue returns to support the delivery of the MTFS. Failure to deliver to plan, could result in significant financial pressures for the Council and therefore robust programme and project governance will be essential. This framework and the expected returns on investment will be included in the revised Capital Strategy.

In allocating funding to these proposals, the principle of financing capital expenditure from prudential borrowing as a last resort, was used. Going forward, the use of external funding sources will be maximised, pulling together the co-ordination of grant funding, s106 and any future CIL payments and the use of capital receipts, revenue and reserves.

## **Legal Implications and Risks**

The Capital Strategy is a requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required by regulation to have regard to both codes when carrying out its duties under Part 1 of the Local Government Act 2003. This report has been produced in accordance with those requirements.

## **Human Resource Implications and Risks**

The recommendations made in the report do not give rise to any identifiable HR risks or implications which would affect either the Council or its workforce.

## **Equalities Implications and Risks**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;

- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

### **Health and Wellbeing Implications and Risks**

The Council is committed to improving the quality of life and wellbeing for all Havering employees and residents in respect of socio-economics and health determinants. Whilst there are no direct implications to the Council's workforce and residents health and wellbeing as a result of this report, the way the Council spends its budgets on facilities and services does have the potential to impact on our overall health and wellbeing.

For example investment in social infrastructure for public services is likely to have a positive impact on health and wellbeing in terms of providing facilities and services, social connectivity, skills improvement, employment and wealth creation. If social infrastructure is not invested and there is a lack of good quality roads, paths and public buildings the aesthetic quality of the environment can impact negatively on both physical and mental health and wellbeing.

The extensive investment in the regeneration programme with the aim of delivering more affordable homes will also have a significant impact on health and wellbeing

Sitting behind this strategy are a number of processes to assess and improve the health impacts of the projects being proposed. For example, any capital building works such as the 12 estates regeneration project will be subject to the new local plan which includes a new policy requirement for development applications of 10 units or more to have a commensurate scale health impact assessment. This will highlight any positive impacts of the development on improved health and wellbeing and look for ways to mitigate any negative impacts.

In addition where appropriate, individual projects/programmes within this strategy will themselves be subject to a separate equalities and health impact assessment (EqHIA) which will identify in more detail potential negative impacts for mitigation or positive impacts.

### **Climate Change Implications and Risks**

The Capital Programme presents opportunities for the Council to contribute towards its climate change targets of being carbon neutral by 2040.

All relevant developments within the Capital Programme are subject to individual governance and climate change impacts will therefore be assessed through project appraisals as part of the decision-making process for individual programmes and projects. It is vital that these programmes and projects consider how to maximise the funding available to achieve carbon reduction, where possible. Mitigating and adapting to climate change is being increasingly embedded within Council decision-making but we will continue to work to ensure spending decisions take account of the carbon impact.

**BACKGROUND PAPERS**

**None**

**APPENDICES**

Appendix 1 : Existing Approved Capital Programme

Appendix 2 : Additional Schools Conditions Grant

Appendix 3a : GF Regeneration Capital Programme

Appendix 3b : HRA Regeneration Capital Programme

Appendix 1

**Existing Approved Capital Programme**

Directorate	Service	Programme	Project No.	Project Name	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget	2030-31 Budget	Total Budget
People - Ageing Well	Adults Social Care	Adults Social Care - DFG	C10260	HGF Cap. Bal. (From DFG Schemes): All years	1,917,816	0	0	0	0	1,917,816
People - Ageing Well	Adults Social Care	<b>Adults Social Care - DFG Total</b>			<b>1,917,816</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,917,816</b>
People - Ageing Well	Adults Social Care	Adults Social Care - Other	C21290	Refurb of Yew Tree (post JAD)	25,000	0	0	0	0	25,000
People - Ageing Well	Adults Social Care	Adults Social Care - Other	C43030	Yew Tree Lodge - New Heating System	180,000	0	0	0	0	180,000
People - Ageing Well	Adults Social Care	<b>Adults Social Care - Other Total</b>			<b>205,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205,000</b>
People - Ageing Well	<b>Adults Social Care Total</b>				<b>2,122,816</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,122,816</b>
People - Living Well	Leisure & Culture	Leisure Other	C43060	Langtons House - External Repairs and Entrance Improvements	100,000	0	0	0	0	100,000
People - Living Well	Leisure & Culture	Leisure Other	C43070	Bretons Conditions Works	985,000	0	0	0	0	985,000
People - Living Well	Leisure & Culture	Leisure Other	C42030	Bretons - Listed Building Refurbishment	100,000	0	0	0	0	100,000
People - Living Well	Leisure & Culture	Leisure Other	C42050	Fairkytes Arts Centre	30,000	0	0	0	0	30,000
People - Living Well	Leisure & Culture	<b>Leisure Other Total</b>			<b>1,215,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,215,000</b>
People - Living Well	Leisure & Culture	Leisure SLM	C26860	SLM - Central Park Leisure Centre - Refurbishment	0	176,852	0	0	0	176,852
People - Living Well	Leisure & Culture	Leisure SLM	C26870	SLM - Hornchurch Sports Centre - Redevelopment	0	126,169	0	0	0	126,169

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People - Living Well	Leisure & Culture	Leisure SLM	C28070	SLM - Awaiting Allocation	0	3,078,470	0	0	0	3,078,470
People - Living Well	Leisure & Culture	<b>Leisure SLM Total</b>			<b>0</b>	<b>3,381,491</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,381,491</b>
People - Living Well	<b>Leisure &amp; Culture Total</b>				<b>1,215,000</b>	<b>3,381,491</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,596,491</b>
People - Starting Well	Childrens Social Care	Childrens Social Care Programme	C28140	Children with SEND Residential Provision & Respite	1,225,392	0	0	0	0	1,225,392
People - Starting Well	Childrens Social Care	<b>Childrens Social Care Programme Total</b>			<b>1,225,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,225,392</b>
People - Starting Well	<b>Childrens Social Care Total</b>				<b>1,225,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,225,392</b>
People - Starting Well	Education	Schools	C30070	Schools Basic Needs 2020/21	1,500,000	5,531,853	0	0	0	7,031,853
People - Starting Well	Education	Schools	C31130	St Edwards Academy Site	88,945	0	0	0	0	88,945
People - Starting Well	Education	Schools	C40120	High Needs Provision Capital Allocation – Unallocated	1,400,000	2,748,646	0	0	0	4,148,646
People - Starting Well	Education	Schools	C40440	Phase 5 Expansions Unallocated	2,000,000	2,522,481	0	0	0	4,522,481
People - Starting Well	Education	Schools	C41510	Basic Needs 2026 Allocation	635,558	0	0	0	0	635,558
People - Starting Well	Education	Schools	C42910	Contribution to Early Years Providers (Childcare Expansions Grant)	20,000	0	0	0	0	20,000
People - Starting Well	Education	Schools	C43570	Basic needs 2026/27 Unallocated Capital	0	8,654,033	0	0	0	8,654,033
People - Starting Well	Education	Schools	C43580	Basic needs 2027/28 Unallocated Capital	0	5,489,129	0	0	0	5,489,129
People - Starting Well	Education	Schools	C43590	Expansion of R J Mitchell Primary School	1,500,000	0	0	0	0	1,500,000
People - Starting Well	Education	Schools	C43600	The Brittons Academy SEND Unit	1,500,000	0	0	0	0	1,500,000
People - Starting Well	Education	Schools	C43610	Expansion of Lime Academy Forest Approach	1,500,000	1,500,000	0	0	0	3,000,000
People - Starting Well	Education	Schools	C43620	Harrow Lodge Primary School SEND Unit	1,200,000	900,000	0	0	0	2,100,000
People - Starting Well	Education	Schools	C43660	Access works to schools	250,000	200,000	0	0	0	450,000
People - Starting Well	Education	<b>Schools Total</b>			<b>11,594,503</b>	<b>27,546,142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,140,645</b>
People - Starting Well	<b>Education Total</b>				<b>11,594,503</b>	<b>27,546,142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,140,645</b>
Place - Environment	Environment	Highways & Street Lighting	C41000	Highways (Roads & Pavements)	6,000,000	6,000,000	6,000,000	6,000,000	0	24,000,000
Place - Environment	Environment	Highways & Street Lighting	C41010	Highways (Lighting)	1,000,000	1,000,000	1,000,000	1,000,000	0	4,000,000
Place - Environment	Environment	<b>Highways &amp; Street Lighting Total</b>			<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>0</b>	<b>28,000,000</b>

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Place - Environment	Environment	Public Realm - Waste	C42000	Food Waste - Collection	4,650,000	0	0	0	0	4,650,000
Place - Environment	Environment	<b>Public Realm - Waste Total</b>			<b>4,650,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,650,000</b>
Place - Environment	<b>Environment Total</b>				<b>11,650,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>0</b>	<b>32,650,000</b>
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C41030	Corporate Building Inspections	195,110	0	0	0	0	195,110
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C41040	Corporate Buildings & Other Initiatives	2,513,307	0	0	0	0	2,513,307
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C41090	PV Panels on Council Buildings	301,880	0	0	0	0	301,880
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C42020	Corporate Landlord Building Pressure	1,259,524	500,000	500,000	0	0	2,259,524
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C43020	Town Hall - Heating Replacement	100,000	0	0	0	0	100,000
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Corporate Buildings	C43100	Mercury House - External Repairs	110,000	0	0	0	0	110,000
Place - Housing & Property (GF)	Housing Property & Assets (GF)	<b>Corporate Buildings Total</b>			<b>4,479,821</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>5,479,821</b>
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Health & Safety	C12000	H&S Fire Extinguisher Acquisitions	10,000	0	0	0	0	10,000
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Health & Safety	C28250	H and S Corporate Buildings - Legacy Works	25,952	0	0	0	0	25,952
Place - Housing & Property (GF)	Housing Property & Assets (GF)	<b>Health &amp; Safety Total</b>			<b>35,952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,952</b>
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Schools Expansions	C41160	Balgores New special school	34,983,484	0	0	0	0	34,983,484
Place - Housing & Property (GF)	Housing Property & Assets (GF)	<b>Schools Expansions Total</b>			<b>34,983,484</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,983,484</b>
Place - Housing & Property (GF)	Housing Property & Assets (GF)	Vehicle Replacement	C43540	Procurement of 5 vehicles for Passenger Travel Services	1,042,000	0	0	0	0	1,042,000
Place - Housing & Property (GF)	Housing Property & Assets (GF)	<b>Vehicle Replacement Total</b>			<b>1,042,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,042,000</b>
Place - Housing & Property (GF)	<b>Housing Property &amp; Assets (GF) Total</b>				<b>40,541,257</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>41,541,257</b>
Place - Planning & Public Protection	Planning & Public Protection	Enforcement	C30020	CCTV Investment	84,022	0	0	0	0	84,022

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Place - Planning & Public Protection	Planning & Public Protection	Enforcement	C38020	Enforcement CCTV	686,210	0	0	0	0	686,210
Place - Planning & Public Protection	Planning & Public Protection	<b>Enforcement Total</b>			<b>770,232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>770,232</b>
Place - Planning & Public Protection	<b>Planning &amp; Public Protection Total</b>				<b>770,232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>770,232</b>
Resources - Finance	Corporate Finance	Contingency	C25470	Contingency	1,929,235	0	0	0		1,929,235
Resources - Finance	Corporate Finance	<b>Contingency Total</b>			<b>1,929,235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,929,235</b>
Resources - Finance	<b>Corporate Finance Total</b>				<b>1,929,235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,929,235</b>
Resources - IT Digital and Customer	IT, Digital & Transformation	Transformation	C42570	Power BI	225,271	0	0	0	0	225,271
Resources - IT Digital and Customer	IT, Digital & Transformation	Transformation	C42580	Transformation Reserve	1,557,979	0	0	0	0	1,557,979
Resources - IT Digital and Customer	IT, Digital & Transformation	<b>Transformation Total</b>			<b>1,783,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,783,250</b>
Resources - IT Digital and Customer	<b>IT, Digital &amp; Transformation Total</b>				<b>1,783,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,783,250</b>

Appendix 2

## **Additional Schools Conditions Grant**

<b>LA Schools</b>	<b>2026/27 Condition Grant Scheme's</b>	<b>Budget £</b>
Nelmes	LED Lighting Infant Hall	17,250
Engayne	LED Lighting Infant Classrooms	69,000
Branfil	LED Lighting Infants	60,000
Gidea Park	LED Lighting Classrooms	46,000
Parklands	LED Lighting Classrooms	34,500
Hilldene	LED Lighting Junior Classrooms	46,000
Mead	LED Lighting Classrooms	46,000
Langton Infants	Renew Sub Mains Intake and Distribution Cable Phase 2	69,000
Suttons	Fire Alarm	40,250
Parsonage Farm	Barriers and Ladders for roofs	57,500
Parklands	Pitched Roof Replacements 8 roofs	569,250
Branfil	Render Replacement Junior block	402,500
Elm Park	Boiler Replacement	92,000
Broadford	Boiler Controls Phase 2	115,000
Gidea Park	Replace Water Pipework from Mains	46,000
Nelmes	Boiler controls, replace tank and water boiler	74,750
Crownfield Inf and Juniors	Replace Fencing and Gates	26,450
Various Schools	Washrooms Boys and Girls	120,000
Various Schools	Fire Door Replacement	107,006
Various Schools	Asbestos Removal	375,000



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Various Schools	Condition Emergency Schemes	287,500
Surveys	5 Yearly Condition Survey	100,000
<b>Total</b>		<b>2,800,956</b>

### Priority 2 Works - Subject to additional grant being available

LA Schools	2026/27 Condition Grant Scheme's	Budget £
Crowlands	Flat Roof replacement	575,000
Elm park	Flat Roof relay	172,500
Broadford	Flat Roof relay	115,000

## Appendix 3a

### GF Regeneration & Place Shaping Capital Programme

Programme	Project No.	Project Name	Prior Year Budgets	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget	2030-31 Budget	Total Budget
Bridge Close (GF)	C30030	Bridge Close - School	354,736	18,614,264	0	0	0	0	18,969,000
Bridge Close (GF)	C30040	Bridge Close - Medical Facility	0	0	4,883,000	0	0	0	4,883,000
<b>Bridge Close (GF) Total</b>			<b>354,736</b>	<b>18,614,264</b>	<b>4,883,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,852,000</b>
Mercury Land Holdings	C28050	Mercury Land Holdings – Quarles Loan	3,599,414	1,591,699	505,745	0	0	0	5,696,858
Mercury Land Holdings	C35810	Reactive Acquisition Fund Loan	2,794,265	(2,794,265)	0	4,449,792	9,615,360	524,544	14,589,696
Mercury Land Holdings	New	Reactive Acquisition Fund Equity	0	0	0	4,610,304	0	0	4,610,304
Mercury Land Holdings	C38600	MLH Quarles PRS - Equity	1,500,000	0	0	0	0	0	1,500,000
Mercury Land Holdings	C38610	MLH Quarles PRS - Loans	2,384,500	1,252,432	0	0	0	0	3,636,932
Mercury Land Holdings	C42080	Mercury Land Holdings – Quarles Equity	0	6,210,000	0	0	0	0	6,210,000
Mercury Land Holdings	C42100	Priory Way - Loans	839,000	1,154,747	0	0	0	0	1,993,747
Mercury Land Holdings	C42110	Priory Way - Equity	839,000	453,000	0	0	0	0	1,292,000
Mercury Land Holdings	C42120	Peel Way - Loans	26,579	1,773,025	193,064	0	0	0	1,992,668
Mercury Land Holdings	C42130	Peel Way - Equity	1,234,071	19,561	0	0	0	0	1,253,632
Mercury Land Holdings	C42140	Albert Road - Loans	89,432	2,550,838	495,404	0	0	0	3,135,674

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Mercury Land Holdings	C42150	Albert Road - Equity	1,991,373	0	0	0	0	0	1,991,373
Mercury Land Holdings	C42160	Como Street Sales - Loans	783,113	15,940	9,366,391	18,577,805	7,459,556	0	36,202,805
Mercury Land Holdings	C42170	Como Street Sales - Equity	3,000,000	0	5,054,788	0	0	0	8,054,788
Mercury Land Holdings	C42180	Como Street PRS - Loans	0	0	0	0	14,700,300	407,997	15,108,297
Mercury Land Holdings	C42190	Como Street PRS - Equity	0	0	0	0	6,304,233	0	6,304,233
Mercury Land Holdings	C42200	Keswick - Loans	94,625	1,614,629	542,414	0	0	0	2,251,668
Mercury Land Holdings	C42210	Keswick - Equity	1,173,002	250,000	0	0	0	0	1,423,002
Mercury Land Holdings	C42220	Dorrington - Loans	313,438	5,833,290	3,422,854	0	0	0	9,569,582
Mercury Land Holdings	C42230	Dorrington - Equity	3,777,074	0	0	0	0	0	3,777,074
Mercury Land Holdings	C42240	Angel PRS - Loans	420,314	10,489	(430,803)	1,549,190	4,320,333	35,868	5,905,391
Mercury Land Holdings	new	Angel PRS - Equity	0	0	0	2,432,551	0	0	2,432,551
Mercury Land Holdings	C42250	Angel Sales - Equity	6,788,846	0	612,966	0	0	0	7,401,812
Mercury Land Holdings	new	Angel Sales - Loans	0	0	12,406,250	11,972,760	406,560	0	24,785,570
Mercury Land Holdings	new	Disposal C - Loans	0	35,045	0	132,955	13,214,000	19,950,000	33,332,000
Mercury Land Holdings	New	Disposal C - Equity	0	0	0	11,867,000	0	0	11,867,000
Mercury Land Holdings	new	Contingency	0	3,000,000	4,000,000	0	0	0	7,000,000
<b>Mercury Land Holdings Total</b>			<b>31,648,046</b>	<b>22,970,430</b>	<b>36,169,073</b>	<b>55,592,357</b>	<b>56,020,342</b>	<b>20,918,409</b>	<b>223,318,657</b>
Rainham & Beam Park	C28060	Rainham & Beam Park Housing Zone – CPO's and Grant	0	2,500,000	7,500,000	0	0	0	10,000,000
Rainham & Beam Park	C28970	Rainham and Beam Park Housing Zone - Equity	2,948,028	2,114,976	0	0	0	0	5,063,004
Rainham & Beam Park	C36320	Rainham & Beam Park Commercial Acquisition	17,444,026	0	0	0	0	0	17,444,026
<b>Rainham &amp; Beam Park Total</b>			<b>20,392,054</b>	<b>4,614,976</b>	<b>7,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,507,030</b>
Regeneration Other	C41100	Liveable Neighbourhood Romford Ring Road	328,119	1,128,598	0	0	0	0	1,456,717
Regeneration Other	C42810	Rainham Gateway - Active Travel	50,000	1,715,242	0	0	0	0	1,765,242
Regeneration Other	C42820	North Street Roundabout	130,748	0	0	0	0	0	130,748
Regeneration Other	C43550	UKSPF - Improvements to local green spaces along the A1306 corridor to Rainham town centre	150,000	0	0	0	0	0	150,000
Regeneration Other	C38580	Farnham & Hildene - Com Properties	5,000,000	12,051,000	0	0	0	0	17,051,000
Regeneration Other	C38590	Farnham & Hildene - Medical Centre	3,256,606	79,751	1,265,643	0	0	0	4,602,000
Regeneration Other	C40090	Sunrise Avenue - Traffic Calming	50,000	0	0	0	0	0	50,000
<b>Regeneration Other Total</b>			<b>8,965,473</b>	<b>14,974,591</b>	<b>1,265,643</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,205,707</b>
Regeneration TFL	C29000	Beam Parkway Major Scheme	2,733,493	1,583,199	0	0	0	0	4,316,692

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Regeneration TFL Total			2,733,493	1,583,199	0	0	0	0	4,316,692
Regeneration & Place Shaping (GF)			64,093,802	62,757,460	49,817,716	55,592,357	56,020,342	20,918,409	309,200,086

## Appendix 3b

### HRA Regeneration Capital Programme

Programme	Project No.	Project Name	Prior Year Budgets	2026-27 Budget	2027-28 Budget	2028-29 Budget	2029-30 Budget	2030-31 Budget	Total Budget
12 Estates Regeneration	C42840	Waterloo Estate Temporary Homes	6,504,084	0	0	0	0	0	6,504,084
12 Estates Regeneration	C30510	12 Estates Affordable Housing	59,450,915						59,450,915
12 Estates Regeneration	C30530	12 Estates - Partner Loan (cash)	21,365,145	150,000	150,000	150,000	150,000	150,000	22,115,145
12 Estates Regeneration	C30540	12 Estates Phase 1 Forward Funding	71,790,109	69,151,882	58,965,000	49,858,000	0	0	249,764,991
12 Estates Regeneration	C30580	Regeneration - Multi Disciplinary Team	2,052,432						2,052,432
12 Estates Regeneration	C35890	12 Estates Demolition	11,742,345	5,584,587	3,043,000	2,990,500	2,388,000	2,086,750	27,835,182
12 Estates Regeneration	C39070	12 Sites - Resident Estate Ballots	257,472						257,472
12 Estates Regeneration	C30550	12 Estates - Vacant Possession	8,880,160						8,880,160
12 Estates Regeneration	C30620	HRA Regeneration - Acquisitions	20,909,008	4,719,370	3,250,000	3,250,000	3,250,000	2,000,000	37,378,378
12 Estates Regeneration	C30560	12 Estates - Tenant Compensation	3,961,385	(300,000)	0	0	0	0	3,661,385
<b>12 Estates Regeneration Total</b>			<b>206,913,055</b>	<b>79,305,839</b>	<b>65,408,000</b>	<b>56,248,500</b>	<b>5,788,000</b>	<b>4,236,750</b>	<b>417,900,144</b>
Bridge Close Regeneration	C28540	HRA Acquisitions - Bridge Close	11,434,584	945,595	0	0	0	0	12,380,179
Bridge Close Regeneration	C36340	HRA Bridge Close Regeneration Partner Loans	52,156,601	7,261,444	10,602,852	1,169,673	1,324,159	1,213,812	73,728,541

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Bridge Close Regeneration	C38870	Forward Funding Bridge Close	2,850,648	900,000	141,780	22,672,435	99,099,025	55,396,424	181,060,312
<b>Bridge Close Regeneration Total</b>			<b>66,441,833</b>	<b>9,107,039</b>	<b>10,744,632</b>	<b>23,842,108</b>	<b>100,423,184</b>	<b>56,610,236</b>	<b>267,169,032</b>
Other Regeneration	C35870	Hostel reprovision - Building of a new hostel	17,876,300	950,400	0	0	0	0	18,826,700
Other Regeneration	C43140	Rainham - Acquisitions	17,700,000	0	0	0	0	0	17,700,000
Other Regeneration	n/a	LAHF Programme	0	2,129,000	3,694,000	4,789,000	1,847,000	0	12,459,000
Other Regeneration	n/a	HRA Future Acquisitions	0	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	37,500,000
Other Regeneration	C41180	MLH Schemes	6,822,000	3,845,500	1,882,500	0	0	0	12,550,000
<b>HRA Other Regeneration Total</b>			<b>42,398,300</b>	<b>14,424,900</b>	<b>13,076,500</b>	<b>12,289,000</b>	<b>9,347,000</b>	<b>7,500,000</b>	<b>99,035,700</b>
<b>Regeneration &amp; Place Shaping (HRA)</b>			<b>315,753,188</b>	<b>102,837,778</b>	<b>89,229,132</b>	<b>92,379,608</b>	<b>115,558,184</b>	<b>68,346,986</b>	<b>784,104,876</b>