

APPENDIX 2 – CAPITAL MONITORING UPDATE Quarter 3

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	3.899	2.123	0.000	12.181
Living Well	28.280	3.743	1.215	3.381	36.620
Starting Well	6.006	5.427	12.820	27.546	51.799
People	40.446	13.069	16.158	30.928	100.600
Environment	31.655	15.285	11.650	21.000	79.590
Housing & Property (GF)	64.470	45.918	193.466	43.153	347.008
Housing & Property (HRA)	440.213	161.486	214.710	441.306	1,257.714
Planning & Public Protection	0.703	0.333	0.770	0.000	1.806
Place	537.042	223.021	420.596	505.459	1,686.118
Customer Services	6.886	0.088	0.000	0.000	6.974
Finance	0.065	0.532	1.929	0.000	2.526
Partnership Impact and Delivery	3.450	6.678	1.783	0.000	11.911
Resources - Public Health	0.305	0.032	0.000	0.000	0.337
Resources	10.705	7.331	3.712	0.000	21.749
Grand Total	588.193	243.421	440.466	536.387	1,808.467

GF / HRA Split	Previous Years Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 + Budget £m	Total Budget £m
General Fund	147.980	81.936	225.757	95.081	550.753
Housing Revenue Account	440.213	161.486	214.710	441.306	1,257.714
Grand Total	588.193	243.421	440.466	536.387	1,808.467

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 £588.193m (shown for information in the table above), the total capital programme for 2025/26 and beyond is £1,808.467m split between the GF (£402.770m) and HRA (£817.503m). 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	2027/28+ Financing Budget £m	Total Financing Budget £m
Capital Receipts	9.020	8.538	5.191	22.748
Revenue & Reserves	0.481	3.063	0.000	3.543
Grants & Other Contributions	23.975	52.053	16.300	92.328
Borrowing	48.459	162.102	73.590	284.151
Total GF Financing	81.934	225.755	95.081	402.770

HRA Financing	2025/26 Financing Budget £m	2026/27 Financing Budget £m	2027/28+ Financing Budget £m	Total Financing Budget £m
Capital Receipts	51.797	40.104	114.848	206.749
Revenue & Reserves	11.773	12.955	38.380	63.109
Grants & Other Contributions	20.827	11.246	11.246	43.319
Borrowing	77.089	150.405	276.832	504.326
Total HRA Financing	161.486	214.710	441.306	817.503

2. Capital Achievements as at 31st December 2025

- 2.1. Capital expenditure as at the 31st December is £80.644m to date. Notable achievements so far for 2025/26 are as follows.

- Spend of £18m on the Council Housing Acquisitions Programme, £7.5m on building of a new hostel and over £23m on improving the housing stock across the borough.
- £4.3m on improving the quality of our roads and infrastructure.
- £5m on enhancing our schools and educational facilities.
- £6.3m on the 12 Estates project to improve housing across borough.
- £2m on the regeneration of Bridge Close.
- £392k the purchase of Public Realm (Parks) & (Bereavement Services) vehicles.

- £421k 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 9 position for the Council's capital programme for the 2025/26 financial year.

	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Starting Well	5.427	5.180	(0.247)
Living Well	3.743	0.335	(3.408)
Ageing Well	3.899	3.069	(0.830)
People	13.069	8.584	(4.485)
Housing & Property (GF)	45.918	35.934	(9.984)
Housing & Property (HRA)	161.486	100.144	(61.342)
Planning & Public Protection	0.333	0.417	0.084
Environment	15.285	13.515	(1.770)
Place	223.021	150.010	(73.011)
IT Digital and Customer	6.678	5.156	(91.522)
Customer Services	0.088	0.077	(0.011)
Finance	0.532	0.032	(0.500)
Public Health	0.032	0.032	0.000
Resources	7.331	5.298	(2.033)
Total	243.421	163.892	(79.529)

	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
General Fund	81.936	63.748	(18.187)
Housing Revenue Account	161.486	100.144	(61.342)
Total	243.421	163.892	(79.529)

3.2. The forecast expenditure for 2025/26 is £163.892m with actual expenditure at the end of Period 9 of £80.644m. 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	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Childrens Social Care Programme	0.340	0.084	(0.255)
Education - Other	0.011	0.000	(0.011)
Schools	5.077	5.096	0.019
Education	5.427	5.180	(0.247)
Starting Well	5.427	5.180	(0.247)

There is no significant movement in the P9 forecast compared to the expenditure forecast in P6.

3.3.2 Living Well

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Art & Culture	0.100	0.000	(0.100)
Leisure Other	2.064	0.330	(1.734)
Leisure SLM	0.792	0.000	(0.792)
Housing Demand (GF)	2.957	0.330	(2.627)
Libraries	0.786	0.005	(0.781)
Leisure SLM	0.786	0.005	(0.781)
Living Well	3.743	0.335	(3.408)

Leisure Other – Increase in Slippage of £1.734m

£1.2m of the slippage relates to Brittons Playing Field 3G Football Hub Development. A decision on whether to proceed with the project will be made later in January or early February; therefore, it is unlikely that any expenditure will occur within this financial year.

Leisure SLM – Increase in Slippage of £0.792m

The slippage relates to SLM - Sapphire Ice and Leisure - Fit Out. This has been earmarked to install PV solar panels on the roof, which is now forecast to take place in 2026/27.

Libraries – Increase in Slippage of £0.781m

£0.595m of the slippage relates to the Library conditions works. Specifications for Hornchurch library works are being developed which requires new roof and cladding/windows.

3.3.3 Ageing Well

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Adults Social Care - DFG	2.606	2.749	0.143
Adults Social Care - Other	1.293	0.320	(0.973)
Adults Social Care	3.899	3.069	(0.830)
Ageing Well	3.899	3.069	(0.830)

Adults Social Care - Other – Variance of £0.973m

The variance relates to the Adults Learning Disabilities Provision Build at Mowbrays. The construction has been completed and became operational in March 2025. Final costs are still due but the project is forecast to be underspent by £0.915m.

3.4. PLACE

3.4.1. Housing and Property – General Fund

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Mercury Land Holdings	21.153	12.915	(8.238)
Bridge Close - School	0.180	0.180	0.000
Rainham & Beam Park	1.720	1.639	(0.081)
Regeneration - Other	7.108	8.231	1.123
Regeneration - TfL	0.000	0.000	0.000
Regeneration & Place Shaping	30.162	22.966	(7.196)
Corporate Buildings	4.642	2.169	(2.474)
Health & Safety	0.015	0.015	0.000
Pre Sale Expenses	0.322	0.078	(0.244)
Schools Building Maintenance	4.074	4.074	0.000
Schools Expansions	4.333	4.317	(0.016)
Vehicle Replacement	2.124	2.070	(0.053)
Housing, Property and Assets	15.510	12.723	(2.787)
Insight, Policy & Strategy	0.246	0.246	0.000
Insight, Policy & Strategy	0.246	0.246	0.000
Housing & Property (GF)	45.918	35.934	(9.984)

MLH – Increase in Slippage of £8.238m

£6.788m of the slippage relates to the development of Angel Way (former car park). There is a further 3-month delay in scheme start based on latest Business Plan projections received from Mercury Land Holdings.

£2.794m of the slippage relates to the Reactive Acquisition Fund Loan. Budget used to balance the MLH programme based on current business plan, sites confirmed and timing assumptions for developments.

Corporate Buildings – Increase in Slippage of £2.474m

£2.370m of the slippage relates to Corporate Buildings and other initiatives. The Town Hall roof works will now commence in the Spring 2026. There have been delays in planning and approvals are still due. Tenders are due to go out early February 2026.

3.4.2. Housing & Property (HRA)

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
12 Estates	6.268	4.938	(1.330)
Bridge Close Acquisitions	18.511	4.240	(14.272)
Bridge Close Regeneration	0.412	0.400	(0.012)
HRA Regeneration	67.026	24.175	(42.851)
Regeneration & Place Shaping	92.217	33.753	(58.464)
HRA Stock	69.269	66.391	(2.877)
Housing, Property and Assets	69.269	66.391	(2.877)
Housing & Property (HRA)	161.486	100.144	(61.342)

12 Estates – Increase in Slippage of £1.330m

This scheme has experienced delays on modular contract start resulting in a slippage of £1.330m.

Bridge Close Acquisitions – Increase in Slippage of £14.272m

The slippage is based on the updated forecasts which reflect the delays in acquisitions until next financial year. There are 5 properties remaining to be bought back, with an estimated value of £2.65m. These are now not expected to complete until next financial year due to ongoing negotiations meaning slippage with the financial investment to the JV.

HRA Regenerations – Increase in Slippage of £42.851m

£20.129m of the slippage relates to the 12 sites programme. Current forecast expenditure for the estates are £4.4m for Chippenham Rd demolition/PCSA/Construction, £3.2m for Farnham and Hilldene and £1.6m on the Waterloo road estate.

A delay in acquiring 75 unsold units at Park Rise has led to the slippage in the programme.

£17.700m of the slippage relates to the Rainham Acquisitions budget. Negotiations continue with the landowner to obtain up to 59 newly developed homes in Rainham for use as affordable housing. This is unlikely to complete as the owner is seeking a leasehold transaction. Officers are seeking alternative acquisition opportunities.

£5.021m of the slippage relates to MLH schemes. Forecast 2025/26 is for the completed affordable homes at the Roe Wood Park development. 7 of the 47 will complete in 2025/26, and the rest in 2026/27.

HRA Stock – Increase in Slippage of £2.877m

The main elements of the slippage is as a result of the following –

- The Residents Safety budget, as the works are not expected on site until April 2026 these budgets will be slipped into 2026/27. (£1.220m)
- The Energy Saving works budget (£0.6m), Corporate CCTV project works £0.5m to be slipped and remainder relates to fencing on estates due to S20 process.

3.4.3. Planning & Public Protection

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Enforcement	0.306	0.390	0.084
Planning TfL	0.027	0.027	0.000
Planning & Public Protection	0.333	0.417	0.084
Planning & Public Protection	0.333	0.417	0.084

There is no significant movement in the P9 forecast compared to the expenditure forecast in P6.

3.4.4. Environment

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Environment - TfL	2.116	2.102	(0.014)
Highways & Street Lighting	10.447	10.194	(0.253)
Environment - Parking	0.109	0.109	0.000

Public Realm - Grounds Maintenance	0.014	0.014	0.000
Public Realm - Parks	1.193	0.980	(0.212)
Public Realm - Waste	1.407	0.116	(1.291)
Environment	15.285	13.515	(1.770)
Environment	15.285	13.515	(1.770)

Public Realm - Waste – Increase in slippage of £1.291m

The slippage relates to delay in food waste vehicles due in 2026/27.

3.5. RESOURCES

3.5.1. IT Digital and Customer

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £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	1.658	(1.274)
IT, Digital & Transformation	6.678	5.156	(1.522)
Resources - Partnership Impact and Delivery	6.678	5.156	(1.522)

Transformation – Increase in slippage of £1.274m

The slippage of £1.274m relates to the Digital Platforms programme. The programme is currently under review following AI trials in September 2025. The expenditure is now expected to slip to 2026/27.

3.5.2 Customer Services

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Cemeteries and Crematorium	0.088	0.077	(0.011)
Bereavement & Registration Services	0.088	0.077	(0.011)
Resources - Customer Services	0.088	0.077	(0.011)

There is no significant movement in the P9 forecast compared to the expenditure forecast in P6.

3.5.3 Public Health

Programme Area /Service/ Directorate	Budget 2025/26 £m	2025/26 Forecast Period 9 £m	2025/26 Variance £m
Insight, Policy & Strategy	0.032	0.032	0.000
Insight, Policy & Strategy	0.032	0.032	0.000
Resources - Public Health	0.032	0.032	0.000

There is no significant movement in the P9 forecast compared to the expenditure forecast in P6.