

### CAPITAL FIRST REVIEW 2023/24

#### 1. Executive Summary

1.1. This report is informed by the outturn report presented elsewhere on this agenda.

1.2. In February 2023, the Council published its Capital Investment Strategy 2022/23 – 2027/28. The updated strategy set a 5 year capital portfolio budget of £532.9 million - including £153.4m of planned spend in 2022/23 - to support the delivery of corporate priorities established in its 15-minute Neighbourhood Corporate Framework. Investment plans set out are transformational for the Borough supporting the delivery of new and affordable homes, infrastructure and place-making, schools, improving Council owned homes, and more. This report sets out the progress of delivering capital programme for 2022/23.

1.3. During 2022/23 the Council has delivered £114.9 million of capital investment, against a planned programme of £165.4 million. A number of transformational projects have completed or made significant progress during this period:

- At Fellowship Square – the Town Hall Campus – construction works have commenced on the residential development which will deliver 433 new homes by the end of 2025, 50% will be affordable homes.
- The first 67 homes at Coronation Square, Leyton have completed and residents moved in. Expected to complete in late 2026, the scheme will deliver a new 15-minute Neighbourhood of 750 homes, 50% affordable, alongside new health and leisure facilities, retail space and a new public square complete and fountain.
- The Council's housing delivery company Sixty Bricks completed its first housing schemes at Essex Close and Hylands in Walthamstow, the Jazz Yard St James Street and Sansom Road in Leytonstone. Phase 1 schemes have delivered 299 new homes across the borough, 76% of which are available on an affordable basis.
- Substantial progress has also been made on flagship schemes such as Soho Theatre Walthamstow, Marlowe Road Estate, Wood Street regeneration, Juniper House Walthamstow and construction has commenced on a new Families and Homes Hub in Wood Street

1.4. The delivery of the capital portfolio continues despite the challenging economic conditions our residents face, which also continues to impact the construction market. Rising inflation and other global factors have seen the cost of materials rise by 15.5% over the last year. During 2022/23, the Council has prioritised the successful completion of schemes in delivery, recognising the substantial benefits they bring to local communities. Enhanced project management and assurance practices have been implemented to ensure delivery continues at pace in collaboration with our delivery partners. In cases this has

seen the rephasing of delivery and cost plans on our schemes to manage these external challenges.

1.5. Funds unspent in 2022/23 remain allocated within the overall capital programme. Officers have undertaken detailed review of the forward looking capital portfolio financial programme, ensuring that underspend has been reprofiled accurately across future years of the programme. This review has established a revised annual budget for 2023/24's capital portfolio of £144.8 million. Table 3 below, sets out a revised 5 year capital budget of £485.1 million based on latest delivery plans and considers external factors which could impact delivery.

1.6. The benefits and social value delivered via our capital investment for residents and local businesses remain substantial, including:

- 3,770 homes, of which 1,760 are affordable homes
- 1,110 local construction and supply chain jobs
- 260 apprenticeships and 590 work placements
- 26,000sqm of new cultural and community space
- Over £370 million Gross Value Added to the local economy

## 2. Recommendations

2.1. This report is seeking approval to progress the revised capital programme and budget changes as presented within.

## 3. Summary

3.1. The capital programme set out in February 2023 is shown below to provide context

**Table 1 – Capital Programme presented as part of the MTFs Report in February 2023**

DIRECTORATE	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
<b>DEPUTY CHIEF EXEC'S DIRECTORATE</b>							
ICT	6,527	3,061	1,814	0	0	0	11,402
STRATEGY INSIGHT AND COMMUNITIES	10	110	0	0	0	0	120
CLIMATE EMERGENCY FUNDING	1,519	1,000	1,000	1,000	0	0	4,519
<b>sub-total</b>	<b>8,056</b>	<b>4,171</b>	<b>2,814</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>16,041</b>
<b>PEOPLE DIRECTORATE</b>							
ADULT SOCIAL CARE	197	0	0	0	0	0	197
<b>sub-total</b>	<b>197</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197</b>
<b>NEIGHBOURHOODS DIRECTORATE</b>							
NEIGHBOURHOODS	9,455	1,949	2,023	0	0	0	13,427
<b>sub-total</b>	<b>9,455</b>	<b>1,949</b>	<b>2,023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,427</b>
<b>PLACE DIRECTORATE</b>							
REGEN, PLANNING AND DELIVERY	3,490	4,771	728	0	0	0	8,989
PROPERTY AND DELIVERY	53,363	28,219	6,720	887	787	0	89,976
SCHOOLS PROGRAMME	15,700	22,327	13,230	19,924	0	0	71,181
HOUSING DELIVERY/OPERATIONS (GF)	8,750	5,594	8,182	3,361	0	0	25,887
HOUSING DELIVERY/OTHER (HRA)	23,648	18,464	17,795	10,487	7,011	7,011	84,416
HOUSING ASSETS (HRA)	30,759	36,512	35,512	35,512	34,746	34,746	207,787
<b>sub-total</b>	<b>135,710</b>	<b>115,887</b>	<b>82,167</b>	<b>70,171</b>	<b>42,544</b>	<b>41,757</b>	<b>488,236</b>
<b>CONTINGENCY</b>							

DIRECTORATE	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
CONTINGENCY	0	15,000	0	0	0	0	15,000
sub-total	0	15,000	0	0	0	0	15,000
<b>TOTAL CAPITAL PROGRAMME</b>	<b>153,418</b>	<b>137,007</b>	<b>87,004</b>	<b>71,171</b>	<b>42,544</b>	<b>41,757</b>	<b>532,901</b>

- 3.2. The financing of the above programme utilises a variety of resources in order to maximise the effectiveness of the funding mix and to minimise authority borrowing and any resultant avoidable costs.

**Table 2 – Capital Programme Funding supporting the above expenditure**

FINANCING SOURCES	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Government Grant	(37,564)	(26,531)	(14,348)	(19,924)	0	0	(98,367)
Major Repairs Reserve	(12,543)	(12,997)	(13,372)	(13,673)	(13,987)	(14,309)	(80,881)
Other Contributions	(9,777)	(10,501)	(2,531)	(3,431)	0	0	(26,240)
Revenue Contributions	(4,646)	(1,493)	(5,555)	(5,089)	(6,155)	(5,731)	(28,669)
Capital Receipts	(5,793)	(6,832)	(6,046)	(5,924)	(2,159)	(1,372)	(28,126)
Self-Finance via Future Disposal	(5,828)	(5,084)	(282)	(100)	0	0	(11,294)
Prudential Borrowing - General Fund	(62,741)	(49,034)	(16,006)	(4,361)	0	0	(132,142)
Prudential Borrowing - HRA	(14,527)	(24,535)	(28,864)	(18,669)	(20,243)	(20,345)	(127,183)
<b>TOTAL FINANCING</b>	<b>(153,418)</b>	<b>(137,007)</b>	<b>(87,004)</b>	<b>(71,171)</b>	<b>(42,544)</b>	<b>(41,757)</b>	<b>(532,901)</b>

- 3.3. The 2022/23 Capital Outturn has now been established; the approved budget remaining has been presented to all project managers to re-profile over the new budget cycle. This has been combined with a detailed analysis at a project level to build a new revised capital programme which is realistic and achievable. Alongside the input from project managers and programme leads the finance function and capital delivery team has scrutinised the resultant budget profiles to ensure that they are financially supported and within the statutory and regulatory framework.

- 3.4. Table 3 sets out the re-profiled budget position for 2023/24 onwards. The key differences from Table 1 include approvals between the medium term financial strategy (MTFS) and outturn 2022/23. Inclusion of 2022/23 budget re-phasing following finalisation of the outturn position reported elsewhere within this agenda and also changes made as part of the capital review at the beginning of 2023/24 the details of which are outlined within this report.

**Table 3 – Revised Capital Programme presented for approval as part of this report**

DIRECTORATE	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
<b>DEPUTY CHIEF EXEC'S DIRECTORATE</b>						
ICT	6,571	5	0	0	0	6,576
STRATEGY INSIGHT AND COMMUNITIES	108	260	0	0	0	368
CLIMATE EMERGENCY FUNDING	1,547	1,000	1,448	0	0	3,995
sub-total	<b>8,226</b>	<b>1,265</b>	<b>1,448</b>	<b>0</b>	<b>0</b>	<b>10,939</b>

DIRECTORATE	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
<b>PEOPLE DIRECTORATE</b>						
ADULT SOCIAL CARE	171	0	0	0	0	171
<b>sub-total</b>	<b>171</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>
<b>NEIGHBOURHOODS DIRECTORATE</b>						
NEIGHBOURHOODS	10,668	2,149	600	600	723	14,739
<b>sub-total</b>	<b>10,668</b>	<b>2,149</b>	<b>600</b>	<b>600</b>	<b>723</b>	<b>14,739</b>
<b>PLACE DIRECTORATE</b>						
REGEN, PLANNING AND DELIVERY	3,224	6,790	290	348	0	10,652
PROPERTY AND DELIVERY	34,567	20,788	2,545	176	176	58,251
SCHOOLS PROGRAMME	13,837	16,718	11,164	18,768	0	60,486
HOUSING DELIVERY/OPERATIONS (GF)	10,782	8,182	3,361	0	0	22,325
HOUSING DELIVERY/OTHER (HRA)	22,845	36,056	17,931	10,252	12,987	100,071
HOUSING ASSETS (HRA)	28,585	47,854	38,986	38,220	38,808	192,453
<b>sub-total</b>	<b>113,841</b>	<b>136,387</b>	<b>74,276</b>	<b>67,764</b>	<b>51,971</b>	<b>444,239</b>
<b>CONTINGENCY</b>						
CONTINGENCY	11,900	3,100	0	0	0	15,000
<b>sub-total</b>	<b>11,900</b>	<b>3,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>144,806</b>	<b>142,900</b>	<b>76,324</b>	<b>68,364</b>	<b>52,694</b>	<b>485,089</b>

3.5. The revised Financing for the above programme is broken down in Table 4 below

**Table 4 – Revised Capital Programme Funding supporting the expenditure in Table 3 above**

FINANCING SOURCES	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Government Grant	(18,871)	(22,466)	(11,215)	(19,067)	0	(71,618)
Major Repairs Reserve	(12,997)	(13,372)	(13,673)	(13,987)	(14,309)	(68,338)
Other Contributions	(14,133)	(17,733)	(1,235)	(672)	(723)	(34,496)
Revenue Contributions	(2,768)	(4,512)	(5,089)	(6,155)	(5,731)	(24,255)
Capital Receipts	(8,903)	(5,259)	(5,137)	(1,372)	(1,372)	(22,043)
Self-Finance via Future Disposal	(2,429)	(1,095)	(1,255)	0	0	(4,780)
Prudential Borrowing - General Fund	(73,033)	(23,498)	(9,134)	(154)	(176)	(105,994)
Prudential Borrowing - HRA	(11,672)	(54,965)	(29,587)	(26,958)	(30,383)	(153,565)
<b>TOTAL FINANCING</b>	<b>(144,806)</b>	<b>(142,900)</b>	<b>(76,324)</b>	<b>(68,364)</b>	<b>(52,694)</b>	<b>(485,089)</b>

- 1.1 With an organisation as large and complex as the London Borough of Waltham Forest the budget required to deliver and improve on the services we offer to our residents is in a state of continual change. This is a developing piece and as we progress through the year there will be opportunities for new projects to be presented and added into the programme through the appropriate governance channels.

## 4. Detailed breakdown of Capital Projects and Budget Movements

### 1.1 ICT

<i>ICT</i>	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget Total
<i>Delivery Areas</i>	£'000	£'000	£'000	£'000	£'000	£'000
<i>Corporate Development</i>	6,161	5	0	0	0	6,166
<i>Technology Services</i>	410	0	0	0	0	410
<b><i>Grand Total</i></b>	<b>6,571</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,576</b>

1.2 The ICT Capital Programme has been thoroughly reviewed and the profile now reflects the expected expenditure over the medium term. Technology Services (LAN network) is in the second phase of the Procurement process for tenders to replace the remote site and is due to be completed in 2023/24. There has been significant progress on the Enterprise Resource Planning (ERP) project, the Council has implemented a significant programme to design the new system, improve data quality and transfer it to the new system. It is anticipated that the new system will transform how the Council operates with it expected to go live in late 2023. Programme budgets now reflect that anticipated go live date

### 1.3 Strategy Insight and Communities

<i>STRATEGY INSIGHT AND COMMUNITIES</i>	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget Total
<i>Delivery Areas</i>	£'000	£'000	£'000	£'000	£'000	£'000
<i>Resident Services</i>	0	260	0	0	0	260
<i>Strategy Insight and Communities</i>	108	0	0	0	0	108
<b><i>Grand Total</i></b>	<b>108</b>	<b>260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>368</b>

1.4 The Strategy Insight and Communities Programme shows a small increase due to new additions being included which have already gone through the appropriate governance channels. There are no additional budgets being requested as a part of this report.

### 1.5 Climate Emergency

<i>CLIMATE EMERGENCY FUNDING</i>	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget Total
<i>Delivery Areas</i>	£'000	£'000	£'000	£'000	£'000	£'000
<i>Climate Emergency</i>	1,547	1,000	1,448	0	0	3,995
<b><i>Grand Total</i></b>	<b>1,547</b>	<b>1,000</b>	<b>1,448</b>	<b>0</b>	<b>0</b>	<b>3,995</b>

1.6 In October 2022, The Council's Climate Action plan was launched, setting out Waltham Forest's vision for achieving net zero carbon emissions by 2030. A key component of our plans is to ensure our construction schemes are built to the highest possible green standards as we strive to build like its 2030. The cross

cutting nature of the Capital Investment Strategy also supports the Council's key priorities promoting a greener more resilient Borough thereby enhancing biodiversity, climate adaptation and transport infrastructure. This fund is held for applications for climate related projects.

## 1.7 Adults Social Care

<b>ADULT SOCIAL CARE</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Adult Social Care</i>	171	-	-	-	-	171
<b>Grand Total</b>	<b>171</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>171</b>

- 1.8 The residual budget slippage from 2022/23 has been profiled into 2023/24 and it is expected that works being undertaken on Care Home will be completed in the current financial year no additional budgets are being requested as a part of this report.

## 1.9 Neighbourhoods

<b>NEIGHBOURHOODS</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Corporate Development</i>	305	230	-	-	-	535
<i>Environment Agency</i>	37	-	-	-	-	37
<i>Highways &amp; Traffic Mgmt. Priorities</i>	3,990	16	-	-	-	4,006
<i>Neighbourhood CIL</i>	185	-	-	-	-	185
<i>Parks &amp; Leisure</i>	4,291	1,140	-	-	-	5,431
<i>S106 Highways Projects</i>	400	600	600	600	723	2,923
<i>Strategic CIL</i>	1,391	150	-	-	-	1,541
<i>TfL</i>	68	14	-	-	-	82
<b>Grand Total</b>	<b>10,668</b>	<b>2,149</b>	<b>600</b>	<b>600</b>	<b>723</b>	<b>14,739</b>

- 1.10 The Neighbourhoods Programme has been thoroughly reviewed and the profile now matches expected expenditure over the medium term. In addition, the Council has dedicated further funding for street lighting upgrades, highways & traffic management service priorities demonstrating our commitment to delivering against the Council key priorities and 15-minute neighbourhoods set out within the Capital Investment Strategy.

### Main changes:

- Inclusion of £2.47m contributions towards service priorities within Highways & Traffic Management which consists of £1.66m of priorities funding and £0.8m of new grant.

### 1.11 Regeneration, Planning and Delivery

<b>REGENERATION, PLANNING AND DELIVERY</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Carbon Offset Fund</i>	484	100	-	-	-	584
<i>Regeneration, Planning &amp; Delivery</i>	2,740	6,690	290	348	-	10,068
<b>Grand Total</b>	<b>3,224</b>	<b>6,790</b>	<b>290</b>	<b>348</b>	<b>-</b>	<b>10,652</b>

1.12 The Regeneration, Planning and Delivery Programme has been thoroughly reviewed and the profile now matches expected expenditure over the medium term. Delivery of comprehensive public realm improvements to Sutherland Road, which forms the final GLA Housing Zone intervention in Blackhorse Lane. Initial public engagement is progressing as the designs develop before delivery of the works begin later in 2023.

### 1.13 Property and Delivery

<b>PROPERTY AND DELIVERY</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Corporate Development</i>	404	101	-	-	-	505
<i>Property &amp; Delivery</i>	33,823	19,917	2,545	176	176	56,635
<i>SALIX Recycling Fund</i>	340	770	-	-	-	1,110
<b>Grand Total</b>	<b>34,567</b>	<b>20,788</b>	<b>2,545</b>	<b>176</b>	<b>176</b>	<b>58,251</b>

1.14 The Property and Delivery services capital programme is at the heart of delivering the Council's 15-minute Neighbourhood priorities, over the coming years the flagship schemes delivered will transform the Borough for our residents, including the delivery of new neighbourhoods at Fellowship Square, on the Town Hall Campus and Coronation Square in Leyton as part of a wider programme which will see the delivery of over 1,700 new and affordable homes. Additional investment will see the delivery of the Soho Theatre Walthamstow, transforming the cultural offer in the town centre and provide a new Families and Homes Hub, providing the Council with a world class venue to deliver its housing and families' services from.

#### Main changes:

- The service has reprofiled its overall programme budgets to accurately reflect the latest programme delivery plans for its major schemes, across the course of the next 5 years. Additionally c. £5m additional investment has been added to the services investment plans with Cabinet approval to deliver a new state of the art Mortuary facility in Walthamstow, replacing outdated existing facilities.

### 1.15 Schools Programme

<b>SCHOOLS PROGRAMME</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Schools Programme</i>	11,836	14,870	10,650	18,321	-	55,676
<i>Strategic Projects</i>	2,001	1,848	514	448	-	4,810
<b>Grand Total</b>	<b>13,837</b>	<b>16,718</b>	<b>11,164</b>	<b>18,768</b>	<b>-</b>	<b>60,486</b>

1.16 The Schools Programme has been thoroughly reviewed and the profile now matches expected expenditure over the medium term. In addition a new allocation of DfE grant has recently been announced by central government and included to support additional expenditure to improve our educational offer.

Main changes:

- Inclusion of £3.2m DfE grant awarded as part of 2023/24 allocations.

### 1.17 Housing Delivery/Operations (General Fund)

<b>HOUSING DELIVERY/OPERATIONS (GF)</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Housing Delivery (General Fund)</i>	6,859	8,182	3,361	-	-	18,402
<i>Housing Operations (General Fund)</i>	3,922	-	-	-	-	3,922
<b>Grand Total</b>	<b>10,782</b>	<b>8,182</b>	<b>3,361</b>	<b>-</b>	<b>-</b>	<b>22,325</b>

1.18 The Housing General Fund programme has been thoroughly reviewed and the profile now matches expected expenditure over the medium term.

Main changes:

- Inclusion of £2.362m Disabled Facilities Grant allocation for 23/24.
- There is also the addition of a budget for the remaining facility which was agreed in July 2020 for Sixty Bricks Ltd to develop a phase 2 pipeline of housing development to RIBA stage 3, subject to schemes demonstrating viability at outline feasibility stage.

### 1.19 Housing Delivery/Other (HRA)

<b>HOUSING DELIVERY/OTHER (HRA)</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Avenue Road</i>	1,095	13,410	12,315	8,154	11,987	46,961
<i>Building Homes for Londoners - Sixty Bricks</i>	1,033	-	-	-	-	1,033
<i>Marlowe Road</i>	8,639	12,820	1,165	1,098	-	23,722



<b>HOUSING DELIVERY/OTHER (HRA)</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<i>Other Schemes</i>	11,436	9,826	4,451	1,000	1,000	27,713
<i>Sixty Bricks Construction - Phase 1 Affordable</i>	643	-	-	-	-	643
<b>Grand Total</b>	<b>22,845</b>	<b>36,056</b>	<b>17,931</b>	<b>10,252</b>	<b>12,987</b>	<b>100,071</b>

1.20 The Housing Delivery/Other HRA programme has been thoroughly reviewed and the profile now matches expected expenditure over the medium term.

Main changes:

- An additional budget of £17.8m has been profiled across the medium term for the acquisition of 47 additional homes as part of the Marlowe Road Regeneration scheme which was approved at Cabinet in January 2023.
- An additional budget of £18.6m has been profiled across the medium term for the acquisition of up to 54 additional homes as part of the Avenue Road Regeneration scheme which was approved at Cabinet in September 2022.

### 1.21 Housing Assets (HRA)

<b>HOUSING ASSETS (HRA)</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b>Delivery Areas</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Disabled Adaptations</i>	1,232	766	766	-	-	2,764
<i>Property Services</i>	27,353	12,262	3,474	3,474	4,062	50,625
<i>Future Years Budgets</i>	-	34,826	34,746	34,746	34,746	139,064
<b>Grand Total</b>	<b>28,585</b>	<b>47,854</b>	<b>38,986</b>	<b>38,220</b>	<b>38,808</b>	<b>192,453</b>

1.22 The Housing Assets programme has gone through an extensive review process in order to address historical underspending. Property Services are now confident that the budget allocation is achievable.

Main changes:

- An initial review of the overall budget allocation for Property Services reduced the 23/24 programme to £35.75m. The decision was made to reduce the in year budget by a further 23.5% to allow for optimism bias. This percentage was determined by taking the midpoint of the HMT Green Book recommended adjustment range for Non-Standard Buildings. This has further reduced their 23/24 programme by £8.4m, to £27.35m. A full review of the programme and the need to invest in the existing stock is underway as part of the MTFS refresh.

### 1.23 Contingency Indicative Schemes

<b>CONTINGENCY (GF)</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>	<b>Budget 2027/28</b>	<b>Budget Total</b>
<b><i>Delivery Areas</i></b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Contingency (GF)</i>	11,900	3,100	-	-	-	15,000
<b><i>Grand Total</i></b>	<b>11,900</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>

1.24 The Corporate Contingency budgets reflect pipeline projects at the early stages of development and are yet to be presented as part of an initial report to Cabinet and an allowance to cover estimated potential increases to contractual costs caused by high cost inflation levels. We recognise that there is further work required and approval for them to be moved into the live capital programme.

## 5. Legal Implications

5.1. There are no legal implications in the report.

## 6. Financial Implications

6.1. The financial implications are contained within the main body of this report.