

Period 10 Capital Monitoring Update

In June 2023, Cabinet approved a re-baseline of the capital programme for 2023/24 – 2028/29. This update confirmed the capital portfolio budget in-year of £144.8 million to support the delivery of its capital programme in this financial year and an overall multi-year budget up to 2028/29 of £605.5 million.

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 2023/24.

Since June 2023, several high-profile schemes have been integrated into the capital programme, increasing the 2023/24 capital budget from £144.8 million to £203.6 million at period 10.

The £58.8 million increase in-year is largely due to the strategic acquisition of 197 new homes at Osier Way as part of the Homes for Refugees programme, making up 28% of the 2023/24 programme budget and 40% of the 2023/24 programme expenditure up to period 10.

Expenditure incurred in the first 10 months of the financial year currently stands at £140.3 million, representing 69% of the current year budget. At this point in 2022/23, expenditure incurred represented 50% of last year's budget.

Across the Capital Programme for 2023/24, there is a forecast underspend of £22.8 million against the £203.6 million budget, with further details provided in this report.

Updates to the 5-year Capital Programme

The overall 5-year capital programme to now stands at £605.5 million. The increase is due to the following schemes being introduced:

- Levelling Up Fund programme (grant award) - £23.9 million
- Various grant funded highways schemes - £5.6 million
- Refurbishment of the Low Hall Depot - £10.3 million
- Chingford Mount Crematorium – £8.4 million

As well as increases in the budget of existing schemes:

- Soho Theatre Walthamstow - £8.4 million
- Families Homes & Hub (Sunflower House) - £3.4 million

Under/overspends in Directorate and Service areas in 2023-24**Neighbourhoods and Environment - £4.9 million underspend**

The Neighbourhoods and environment capital programme supports investment into green transport, highways, leisure, parks and open spaces.

Leytonstone Leisure Centre Roof replacement is the main driver for the underspend in this directorate, which the project is currently reporting a slippage of £1.7 million into 24/25 due to delays commencing on-site works.

A further underspend of £2.7 million is reported across improvement works to Highways and Traffic Management schemes. This is due to several small-scale externally funded projects that have been reprogrammed for delivery in 2024/25 due to delays in partnering organisations' procurement processes.

£0.5m of funds to respond to Climate Emergency has been reprofiled into next financial year.

Regeneration, Planning and Delivery - £3.5 million underspend

The Regeneration, Planning and Delivery programme supports improvements to town centres, high streets, heritage assets and cultural works generally funded through developer contributions and grants. In addition, it delivers the Government funded Levelling Up Programme.

The programme is made up of small to medium sized public realm and place improvements aimed at supporting local growth and long-term regeneration throughout the borough. Across the programme, changes to project delivery plans have moved £3.5m spend across a number of schemes into future years.

Housing Delivery/Operations (GF) - £8.6 million underspend

The Housing Delivery and Operations programme provides investment into the delivery of new and new affordable homes across the borough. It also implements the Disabled Facilities grant funded programme, delivering adaptations to homes supporting people with disabilities.

Across the programme underspend is made up of £1.6 million slippage into future years from the Disabled Facilities Grant, a £5.5 million slippage from Housing Delivery schemes and a slippage in Homes for Refugees programme of £1.5 million which are further explained below.

Disabled Facilities Grant's forecast assumes completion of £1.6 million of pending assessment/assessed work. This variance is driven by staff changes within the service leading to revised delivery plans.

The £5.5 million slippage on the Sixty Bricks side is driven mostly by Priory Court. The Priory Court scheme is currently under review and a proposal has been drafted for separate Cabinet approval to amend the scheme, review the tenure mix, and identify whether the scheme remains value for money.

A forecast has been provided for the 8 temporary accommodation unit acquisitions under the Homes for Refugees programme, and it is expected that 6 units will complete before the end of the financial year and are currently under legal instruction. An additional 2 properties have been identified and are currently being carefully considered for legal instruction. The forecast spend for these 2 units has been slipped to 24/25.

Housing Delivery/Other (HRA) - £6.8m underspend

The main driver for the underspend in Housing Delivery/Other is Priory Court (HRA) with a £4.9 million slippage. As notes above, this scheme is currently under review as such both General and HRA funding for the scheme has been reprofiled.

The remaining slippage is in reference to Other Schemes, reporting a £1.9 million slippage. This is due to variances and slippage across Waste Management, Positive Places, Priory Court Public Realm works and Estate Parking Controls initiatives.

Housing Assets (HRA) - £2.1 million overspend

The Housing Assets programme delivers improvements to Council owned homes, including building safety works and instillation of new windows, kitchens and bathrooms alongside improvements to communal areas.

The overspend is largely due to an updated review of the overall in year delivery programme for works to regenerate Marlowe Road. HRA programme reprofiling spend of £2.6m from future years in to 2023/24. Figures have been ratified via external cost consultancy specialists working on the project.

Underspends across the wider Housing Assets programme reduce the overall impact of Marlowe Road's increase down to a total £2.1 million overspend.

Other movements - £0.9 million

In the Stronger Communities Directorate, works on ICT and other projects have slipped into the next financial year with a value of £0.7m.

Additionally, £0.3m of portfolio level contingency spend and £0.1m of funding for works to care homes has slipped to 2024/25. This is offset by a £0.2m overspend on Property and Delivery Schemes.