

## CAPITAL

Table 1 Summary of the Capital

Capital Programme Q2 2021-22	Budget Set at Feb Cab 2021	Forecast (as of Q2 return)	Forecast v Budget at Feb (Under/Over)	Revised Budget Position at Sept 2021	Forecast (as of Q2 return)	Forecast v Budget at Sept (Under/Over)
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's (Non-Housing)	3,047	2,320	(727)	3,834	2,320	(1,514)
Adults, Health & Integration	39	0	(39)	0	0	0
Children & Education	15,858	14,560	(1,298)	17,175	14,560	(2,614)
Finance & Corporate Resources	15,292	11,961	(3,331)	12,633	11,961	(672)
Mixed Use Development	34,315	10,411	(23,904)	15,920	10,411	(5,508)
Neighbourhood & Housing (Non)	26,974	28,756	1,782	33,321	28,756	(4,566)
<b>Total Non-Housing</b>	<b>95,525</b>	<b>68,009</b>	<b>(27,516)</b>	<b>82,883</b>	<b>68,009</b>	<b>(14,874)</b>
AMP Housing Schemes HRA	64,175	39,463	(24,712)	46,440	39,463	(6,977)
Council Schemes GF	11,273	22,183	10,910	25,387	22,183	(3,203)
Private Sector Housing	2,122	1,580	(542)	2,091	1,580	(511)
Estate Regeneration	38,394	20,759	(17,635)	21,317	20,759	(558)
Housing Supply Programme	18,638	11,909	(6,729)	11,502	11,909	407
Woodberry Down Regeneration	6,263	6,782	519	6,927	6,782	(145)
<b>Total Housing</b>	<b>140,864</b>	<b>102,677</b>	<b>(38,187)</b>	<b>113,664</b>	<b>102,677</b>	<b>(10,988)</b>
<b>Total Capital Budget</b>	<b>236,389</b>	<b>170,686</b>	<b>(65,703)</b>	<b>196,547</b>	<b>170,686</b>	<b>(25,861)</b>

## CHIEF EXECUTIVE'S (NON-HOUSING)

The current forecast is £2.3m, £1.5m below the revised budget of £3.8m and c 24% below the original budget.

CX Directorate Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/O ver)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/O ver)	Explanation
	£000	£000	£000	£000	£000	£000	
Employment, Skills & Adult Learning	0	13	13	13	13	(0)	Slippage fr 2020-21: ICT equipment for Adult learning GLA grant funded to be spent this year.
Libraries and Archives	1,753	269	(1,484)	992	269	(723)	The majority of the Libraries capital programme has been pushed back to 2022-23 to reflect the phasing of the works for the Stoke Newington library project and to link the investment in our facilities to the developing Library Strategy
Area Regeneration	1,294	2,038	743	2,828	2,038	(791)	Main spend in Q1 related to Ridley Rd Improvements which had been delayed due to the pandemic but then works progressed and back on track in Q2. The Development plans for the Dalston & Hackney Town Centre Area in 2021-22 will be feasibility only. Therefore the remaining budget was re-profiled in Q2. There are U-spends in schemes which pre-date 2018 which have been raised with the Project Managers. We have requested further detail on their plans to utilise these budgets. Once reviewed a decision will be made on the action to be taken.
<b>Total Non-Housing</b>	<b>3,047</b>	<b>2,320</b>	<b>(727)</b>	<b>3,834</b>	<b>2,320</b>	<b>(1,514)</b>	

## ADULTS, HEALTH AND INTEGRATION

AHI Directorate Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/O ver)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/O ver)	Explanation
	£000	£000	£000	£000	£000	£000	
Adults, Health and Integration	39	0	(39)	0	0	0	The budget was re-profiled to be reviewed to determine if still required.
<b>TOTAL</b>	<b>39</b>	<b>0</b>	<b>(39)</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## CHILDREN AND EDUCATION

The current forecast is £14.6m, £2.6m below the revised budget of £17.2m and within 8% of the original budget.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/O ver)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/O ver)	Explanation
	£000	£000	£000	£000	£000	£000	
Children & Family Services	0	572	572	572	572	0	New bids: Loft conversions to 3 Council Foster Homes. Refurb to Shoreditch Park Play Adventure.
Education Asset Management Plan	3,484	2,160	(1,324)	3,438	2,160	(1,278)	Various reasons for u/spend: primarily pushing back of work at Shoreditch Park Primary School as a result of impact of phase 2a Britannia (see below). Other delays due to survey feedback and awaiting condition surveys. Therefore £1.2m was reprofiled at Q2.
Building Schools for the Future	0	310	310	370	310	(60)	Works to rectify heating at Ickburgh on-going therefore the u/spend was re-profiled at Q2 to 2022-23. Plus New bid for

							SEND at the School.
Other Education & Children's Services	1,937	2,716	779	2,765	2,716	(50)	Delays to work at The Garden School due to lack of materials and limited labour caused increased costs. U/spend in another scheme covered the variance. Then in May 2021 Cab New bid to remove the asbestos at school. Gainsborough is in the defect period stage with retention due next year.
Primary School Programmes	6,548	4,247	(2,301)	5,854	4,247	(1,606)	Facades Programme: Various reasons for u/spend. Largely 5 schemes are currently at initial stages and awaiting the contractors to provide updates on the surveys taken at the schools by the end of Autumn . The next phase is likely to start in 2022-23. As part of the facades programme, there needs to be an overhaul of the windows at Grasmere School. Unfortunately, Grasmere is delayed due to a delay in the production of these windows. Therefore £1.5m reprofiled at Q2.
Secondary School Programmes	3,889	4,555	666	4,175	4,555	379	SN School roofing contract is above initial forecasts due to rising costs of materials and fire doors are also expected to be above project estimates. Forecasts of Haggerston are based on a similar scheme of this nature.
<b>TOTAL</b>	<b>15,858</b>	<b>14,560</b>	<b>(1,298)</b>	<b>17,175</b>	<b>14,560</b>	<b>(2,614)</b>	

## FINANCE AND CORPORATE RESOURCES

The overall forecast in Finance and Corporate Resources is £22.4m, £6.2m under the revised budget of £28.6m.

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/Over)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/Over)	Explanation
	£000	£000	£000	£000	£000	£000	
Property Services	11,022	7,263	(3,759)	7,827	7,263	(564)	Main u/spend related to CCG Primary Care Estate which is at

							planning stage. All the spend to date is on the feasibility and project management costs to develop the restate pre-construction works. The construction work is expected to start in January/February 2022. The remaining u-spends relate to landlord wks H&S building repair work at SNTH and at 12-14 Englefield Rd, 61 Evering Rd and Millfields Disinfecting Station. All projects are now progressing and will complete in 2022-23 and the variance reprofiled in Q2.
ICT	3,518	3,861	343	3,861	3,861	0	The overall ICT scheme is forecast to spend the full in-year respective budget of £3.7m. The main variance resource will be held along with any other underspends across the overall scheme to support any costs relating to the cyber recovery.
Other Schemes	752	837	85	945	837	(108)	The main variance relates to the Solar Panel Installation project. Following consultation with key stakeholders, 9 sites were chosen with an additional 3 to potentially go ahead. They are all commercial properties. The contract has been awarded to the supplier and the work has started on planning applications and Distribution Network Operator (DNO) for connection. We anticipate starting onsite in the autumn 2021.
<b>Total</b>	<b>15,292</b>	<b>11,961</b>	<b>(3,331)</b>	<b>12,633</b>	<b>11,961</b>	<b>(672)</b>	
Mixed Use Development	34,315	10,411	(23,904)	15,920	10,411	(5,508)	Main underspend related to Britannia Phase 2a (Residential). The main works construction which forms the majority of the budget for Phase 2a was due to start on site in July 2021 but this has now been pushed back to July 2022. Phase 2b design work was also reprofiled in light of Phase 2a and business case review. Phase 1 handover was a few weeks later than planned which pushed the retention period further into next year. Also note that there is a contingency held on phase one which has now been reprofiled to the end of the masterplan project.
<b>TOTAL</b>	<b>49,607</b>	<b>22,373</b>	<b>(27,234)</b>	<b>28,553</b>	<b>22,373</b>	<b>(6,180)</b>	

## NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is £28.8m, £4.6m under the revised budget of £33.3m.

N&H – Non Housing Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/Over)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/Over)	Explanation
	£000	£000	£000	£000	£000	£000	
Leisure, Parks & Green Spaces	13,566	13,260	(306)	14,520	13,260	(1,260)	Overall forecast close to original budget (less than 3%). U/spend in Q1 related to Play Area Refurb, Abney Park improvements caused by delays in procurement and the Council's Depot improvements all slipped to 2022-23. In Q2 the Main u/spend relates to Shoreditch Park improvements. There have been delays due to the pandemic, the planning was approved in the summer and the contract is out to tender. The contractors are expecting to start on site in quarter 4 of 2021-22. Fairchild's Gardens is pending negotiations with the Church. At Q2 £1.4m was re-profiled to 2022-23
Streetscene	11,856	13,540	1,684	16,845	13,540	(3,305)	The majority of the u/spend relates to the Highways Works schemes funded by S106 agreements. A lot of these schemes can only be carried out when the developers have finished their work. Some of the highway works schemes pre-date 2018 and this has been raised with the service area. There is ongoing work to identify the status of these schemes. Once this has been completed then we can determine a course of action.
Environmental Operations & Other	626	651	25	651	651	0	Minor variance.
Public Realms TfL Funded Schemes	0	23	23	23	23	0	TfL funding confirmation was received in August 2021. A CPRP bid of £3.9m has been prepared to bring the budget into the capital programme so that we can deliver the

							programmes by the agreed deadline of August 2022.
Parking & Market Schemes	358	100	(258)	100	100	0	
Community Safety, Enforcement & Business Regulations	567	1,182	615	1,182	1,182	0	Main project is the CCTV camera upgrades around the borough which is due to be spent this financial year.
<b>Total</b>	<b>26,974</b>	<b>28,756</b>	<b>1,782</b>	<b>33,321</b>	<b>28,756</b>	<b>(4,566)</b>	

## HOUSING

The overall forecast in Housing is £102.7m, £11m below the revised budget of £113.7m.

Housing Capital Forecast	Budget Set at Feb Cab 2021	Forecast	Forecast v Budget at Feb (Under/Over)	Revised Budget Position at Sept 2021	Forecast	Forecast v Budget at Sept (Under/Over)	Explanation
	£000	£000	£000	£000	£000	£000	
AMP Housing Schemes HRA	64,175	39,463	(24,711)	46,440	39,463	(6,977)	The Housing AMP is under spent this year because the main contract (£40-50m p.a.) ended on 31 August 2021 and no more works can be issued under that contract. The expectation when the budget was set was to deliver the programme using the alternative arrangements approved by CPIC in May and June 2020 however this has not been possible. As reported to Cabinet in OFP reports there has been a slowdown in the delivery of the Housing AMP due to the impact of the lockdown throughout 2020/21 and the first quarter of 2021/22 which limited our capacity to issue works in the period up to August 2021. This slowdown in the capital programme delivery has enabled the HRA to mitigate the costs of Covid-19 over the last 20 months as the reduction to RCCOs has kept the HRA in a break-even

							position. It should be noted that the work and the budget are required when the new contracts are awarded later in the year, but work and spending will not commence until 2022-23. £27m was re-profiled in Q1 and a further £7m in Q2.
Council Schemes GF	11,273	22,183	10,910	25,387	22,183	(3,203)	The additional cost in Council Schemes GF is the funding of the buyback scheme approved by Cabinet. £10m for Local Space Properties and £10m for Leaseholders including 9 properties from L&Q Housing Association. The budget from 2022/23 and 2023/24 has been re-profiled back to the current year to support this spend. In Q2 the budget has been adjusted to reflect the estimated 25 buyback of leasehold properties to be completed this financial year.
Private Sector Housing	2,122	1,580	(542)	2,091	1,580	(511)	The forecast fluctuates depending on the number of uptake of grants during the financial year. Any surplus will be utilised within Adult Services.
Estate Regeneration	38,394	20,759	(17,635)	21,317	20,759	(558)	This explanation covers both ESR and HSP. There are 3 schemes on site, all of which will complete toward the end of the year. There are 5 other schemes with tenders returned, but as the tenders are higher than the appraisal cost, there is additional work to reduce the cost and make the schemes viable before awarding the contract. Once awarded, there is a period of mobilisation before the works and expenditure commences. There are a further 3 schemes due to go out to tender, but as a result of the high tender returns, more work is being done before tendering to ensure their viability.
Housing Supply Programme	18,638	11,909	(6,729)	11,502	11,909	407	See above
Woodberry Down Regeneration	6,263	6,782	520	6,927	6,782	(145)	The forecast fluctuates depending on the number of buybacks due within the financial year. Q2 forecast was based on 14 buybacks due this financial year.
<b>Total Housing</b>	<b>140,864</b>	<b>102,677</b>	<b>(38,187)</b>	<b>113,664</b>	<b>102,677</b>	<b>(10,988)</b>	