

Title of Report	Capital Update and Property Disposals and Acquisitions Report	
Key Decision No	FCR S202	
For Consideration By	Cabinet	
Meeting Date	25 September 2023	
Cabinet Member	Cllr Robert Chapman, Cabinet Member responsible for Property	
Classification	Open	
Ward(s) Affected	All	
Key Decision & Reason	Yes	Spending or Savings
Implementation Date if Not Called In	4 October 2023	
Group Director	Jackie Moylan, Interim Group Director, Finance	

1. Cabinet Member's Introduction

- 1.1 This report updates members on the capital programme agreed in the 2023/24 budget.
- 1.2 Through the proposals in this report we demonstrate our commitment to meeting our manifesto pledges as well as continuing to deliver against the Council's Strategic Plan.
- 1.3 As we continue to move on from the impact of the criminal cyber attack we are bringing forward some much needed investment in our ICT capacity. This includes:
 - £500k of investment in the continued upgrade of the network connectivity, benefiting from new high speed fibre connections that are becoming available through the Council's Better Broadband programme, with particular benefits for residents in Temporary Accommodation hostels, users of Community Halls and staff working outside of the core Hackney Town Hall campus.

- £750k of investment in further development of systems which assist some of our most vulnerable residents including those requiring financial support, housing and homelessness advice, and the Council's Temporary Accommodation hostels.
- £1,006k of investment to deliver further digital enablers that will support the strategic objectives of Public Realm services (Planning and Building Control; Licensing; Land charges; Environmental Operations; Community Enforcement and Business Regulation; and Public Realm, Highways and Streetscene).

1.4 We continue to invest in our Leisure Facilities and Parks and Green Spaces, enhancing opportunities for local residents to access these facilities and ensuring these valuable resources are well valued and maintained for a Greener, Healthier Hackney. As the Council feels the impact of the cost of living crisis and with inflationary pressures at levels higher than in many residents living memory, this month we propose investment of a further £2,075k to fund our ambitious plans at Abney Park, West Reservoir Improvements and in delivering against our manifesto commitment for a learner pool at the London Fields Lido.

1.5 Finally, this month approval is sought for the use of £1,176k of S106 monies for a range of improvements in our public realm and our libraries, including improving accessibility, tree planting and play areas. We also propose utilising £77k of S106 funding for the employment of a dedicated Principal Climate Change and Sustainability Officer within the Planning Service. This post will allow for scrutiny of the sustainability credential of proposals, and ensure ongoing carbon emissions reductions through scheme design and/or carbon offsetting - contributing to a Greener, Healthier Hackney and helping to meet our net zero ambition.

1.6 I commend this report to Cabinet.

2. Interim Group Director's Introduction

2.1 This report updates Members on the current position of the Capital Programme and seeks approval as required to enable officers to proceed with the delivery of those schemes as set out in section 3 of this report.

3. Recommendation(s)

3.1 **That the scheme for Finance and Corporate Resources Directorate as set out in section 11 be given approval as follows:**

Network Equipment Upgrades and Maintenance: Spend approval of **£500k (£300k in 2023/24 and £200k in 2024/25)** is requested to enable the Council ICT department to deliver further upgrades to network connectivity (including Council offices, Temporary Accommodation hostels and Community Halls).

Targeted Services Systems Development: Spend approval of **£750k (£300k in 2023/24 and £450k in 2024/25)** is requested to enable the Council ICT

Department to build on existing ICT investments, as well as designing and building new digital products and assets.

Liveable Hackney: Spend approval of **£1,006k (£906k in 2023/24 and £99.7k in 2024/25)** is requested to enable the Council's ICT Department to deliver further system and data upgrades to support modernisation across Planning and Building Control; Licensing; Land charges; Environmental Operations; Community Enforcement and Business Regulation; and Public Realm, Highways and Streetscene.

3.2 **That the scheme for Climate, Homes & Economy Directorate as set out in section 11 be given approval as follows:**

Leisure, Parks and Green Spaces: Resource and spend approval of **£2,075k** is requested for additional funding for three projects: **Abney Park Restoration (£875k in 2023/24)**, **London Fields Lido Teaching Pool (£700k in 2024/25)** and **West Reservoir Improvements (£500k in 2024/25)**.

3.3 **That the s106 Capital scheme summarised below and set out in section 11 be approved:**

S106	2023/24 £'000	2024/25 £'000	Total
Capital	614	562	1,176
Total Capital S106 for Approval	614	562	1,176

3.4 **That the s106 Revenue scheme summarised below and set out in section 11 be approved:**

S106	2023/24 £'000	2024/25 £'000	Total
Revenue	67	10	77
Total Revenue S106 for Approval	67	10	77

3.5 **That the s106 Capital scheme summarised below and set out in section 11 be noted:**

S106	2023/24 £'000
Capital	38
Total Capital S106 for Noting	38

3.6 **That the schemes outlined in section 12 and 13 be noted.**

- 3.7 That the expenditure plans and associated resources to be carried from 2022/23 to 2023/24 as set out in Appendix 1 and summarised below be approved:

Current Directorate	Carry Forward Budget to 23/24
	£'000
Non Housing	21,925
Housing	15,426
Total	37,351

- 3.8 That the re-profiling of the budgets as set out in Appendix 1 and summarised below be approved:

Current Directorate	Re-Profiling 23/24	Re-Profiling 24/25	Re-Profiling 25/26
	£'000	£'000	£'000
Non Housing	(49,176)	20,787	28,389
Housing	(65,844)	65,844	0
Total	(115,020)	86,631	28,389

- 3.9 That the capital adjustments of the budgets as set out in Appendix 1 and summarised below be approved:

Current Directorate	Capital Adjustments
	£'000
Non Housing	(127)
Housing	(150)
Total	(277)

4. Reasons for Decision

- 4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered and to approve the property proposals as set out in this report.

4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where, however, resources have not previously been allocated, resource approval is requested in this report.

4.3 To facilitate financial management and control of the Council's finances.

5. Details of Alternative Options Considered and Rejected

None.

6. Background

Policy Context

6.1 The report to recommend the Council Budget and Council Tax for 2023/24 considered by Council on 27 February 2023 sets out the original Capital Plan for 2023/24. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

Equality Impact Assessment

6.2 Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. Such details are not repeated in this report.

Sustainability and Climate Change

6.3 As above.

Consultations

6.4 Relevant consultations have been carried out in respect of the projects included within this report, as required. Once again details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

Risk Assessment

6.5 The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks outside of these will be recorded on departmental or project based risk registers as appropriate.

7. Comments of the Interim Group Director, Finance

- 7.1 The gross approved Capital Spending Programme for 2022/23 currently totals **£320.547m (£161.751m non-housing and £158.796m housing)**. This is funded by discretionary resources, borrowing, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.
- 7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.
- 7.3 The recommendations in this report will result in a revised gross capital spending programme for 2023/24 of **£248.118m (£134.275m non-housing and £113.842m housing)**.

Current Directorate	Revised Budget Position	Sept 2023 Cabinet	Carry Forward Budget to 2023/24	Capital Adjustments	Re-profiling 23/24	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	2,426	158	341	0	(2,175)	749
Adults, Health & Integration	3,304	0	0	(119)	(738)	2,447
Children & Education	15,972	0	5,298	0	(2,636)	18,633
Finance & Corporate Resources	95,248	(750)	8,721	30	(30,005)	73,245
Climate, Homes & Economy	44,801	494	7,565	(38)	(13,622)	39,201
Total Non-Housing	161,751	(98)	21,925	(127)	(49,176)	134,275
Housing	158,796	5,615	15,426	(150)	(65,844)	113,842
Total	320,547	5,517	37,351	(277)	(115,020)	248,118

8. VAT Implications of Land and Property Transactions

- 8.1 None required.

9. Comments of the Acting Director of Legal, Democratic and Electoral Services

- 9.1 The Interim Group Director, Finance is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 9.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:

- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
- (ii) Determine the accounting records to be kept by the Council.
- (iii) Ensure there is an appropriate framework of budgetary management and control.
- (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

9.3 Proposals for capital spending shall be submitted to Cabinet for acceptance into the capital programme recommended to Full Council for adoption (paragraph 2.17, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).

9.4 Once the capital programme has been approved, Cabinet exercises control over capital spending and resources and may authorise variations to the capital programme provided such variations are within available resources and are consistent with Council policy (paragraph 2.18, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).

9.5 Section 106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation which is then enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. Frequently such obligations require the payment of a financial contribution to compensate for the loss or damage created by the development or mitigate against the development's impact. Local authorities must have regard to the legal tests laid down in Regulation 122 of the Community Infrastructure Levy Regulations 2010 prior to requiring a developer to enter into a s106 obligation. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured. Once completed, s106 agreements are legally binding contracts and financial contributions can only be used for the purposes specified within the obligation itself.

9.6 The Council also receives payments under the Community Infrastructure Levy Regulations 2010 based upon the Council's adopted charging schedule adopted in 2015 (this is separate to the Mayor of London's CIL). The Council's adopted Regulation 123 list details the infrastructure that the payments received will be spent upon. In addition, there is a neighbourhood element to CIL and areas where development is taking place will receive a proportion of the receipts to be spent in local neighbourhoods, this includes the Hackney Community Fund.

10. Comments of the Director of Strategic Property Services

10.1 None required.

11. Capital Programme 2022/23 and Future Years

11.1 Finance and Corporate Resources:

11.1.1 **Network Equipment Upgrades and Maintenance:** Spend approval of **£500k (£300k in 2023/24 and £200k in 2024/25)** is requested to enable the Council ICT Department to deliver further upgrades to network connectivity. This work includes network hardware and implementation of high speed fibre connections, benefiting from the Council's Better Broadband programme which is increasing competition for network connectivity in Hackney by bringing new providers into the borough.

The programme is working with a number of new providers to provide full fibre connections to identified Community Spaces and Temporary Accommodation, and this also provides new options to connect Council offices to full fibre connections. This investment is needed to further progress the planned work, covering hardware, software licences and engineering resources required for implementation.

This work will also support the urgent need to make sure that the Council has the correct networking equipment to be able to seamlessly integrate full fibre due to the upcoming PSTN (public switched telephone network) switch off in December 2025 which is the copper switch off in 2025 which will affect systems such as Lift alarms, Fire or Security alarms and payment terminals.

This capital approval will bring about the following benefits and outcomes:

Project	Project Outcomes
10 Gbps Connections	Enhance connectivity performance, reliability and stability, maximising the benefits of the enhanced 10 Gbps connections and minimising downtime and disruptions. Providing Council staff with upgraded connectivity which will improve communication and services to residents. This will also ensure that our corporate offices have the same level of robust, fit for purpose high speed internet connectivity for all users.
Robust ICT Security	Maintaining the security of our networks to ensure high standards of cyber security for our network connections.
Support for New Technologies	Support for new technologies such as the ability to handle the increased data traffic associated with modern systems in use (e.g. video meetings) and 'Internet of Things (IoT)' services.
Expand Free Internet Connectivity (Better	Expand connectivity, including the connections in community spaces and temporary

Broadband Project)	accommodation hostels. This will enable the realisation of the benefits of the Better Broadband project by making sure that the 150 free Gigabit connections throughout these buildings.
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The different components will be split into three work streams in the following order of importance with the cabling works being installed throughout all stages of the projects as and when needed.

No.	Workstreams
1.	Firewall upgrades
2.	Upgrades to corporate switches, routers, mx appliances and wireless access points
3.	Upgrades and expansion to connectivity in community spaces and temporary accommodation hostels - this will be in line with the rollout of full fibre from the better broadband providers and will match their schedules.

This capital expenditure demonstrates the Council's ambitions to provide fast internet connections for residents using community centres and living in our temporary accommodation hostels. In addition it will ensure the robust and most modern cyber protections available for our network connections. Council's staff will benefit from high speed and reliable internet connections, in particular staff who work from offices outside of the core Hackney Town Hall / Hackney Service Centre campus. This demonstrates the Council's commitment to improve communication between the Council and our residents.

This capital project supports all the Priorities in the Council's 2018-2028 Sustainable Community Strategy. This approval will have no net impact as the resources already form part of the capital programme.

Project milestone	Estimated completion date
Procurement & Delivery Phase 1	Sept 2023 to Dec 2023
Firewall Implementation	Dec 2023
Implementation Corporate Upgrades including cabling	Dec 2023 Onwards
Implementation Resident Spaces Upgrades including cabling	Oct 2023 Onwards

Procurement & Delivery Phase 2	April 2024
Core Switch Implementation and Upgrades	June 2024 Onwards

11.1.2 **Targeted Services Systems Development:** Spend approval of **£750k (£300k in 2023/24 and £450k in 2024/25)** is requested to enable the Council ICT Department to build on existing ICT investments, as well as designing and building new digital products and assets.

The Council's Targeted Services Team works closely with the Council's Benefits and Housing Needs, Customer Services and other Council services to build and support the technology required to deliver resident facing services and to deliver on its statutory requirements (including Housing Benefits, Council Tax reduction, Housing and Homeless advice, Temporary Accommodation and Housing register and social housing allocation). This project will focus on improvements and enhancements in the following areas:

Project Areas	Project Short Description
The Housing Register	Further enhancements to the Council's list of social housing properties and list of residents waiting for social housing, including self-service access for residents to check the status of their place on the register.
Temporary Accommodation	The Council's temporary accommodation for residents who register as homeless, including management of TA rents.
Here to Help	Further enhancements to the Council's staff case management system, a single database and user interface tool that enables call handlers to have the best possible conversations with residents and make it easy to link residents with the support they need.
Better Conversations	The Council's staff management tool to support resident-facing professionals help vulnerable residents and prevent them from reaching crisis. This digital tool which simplifies the referrals and signposting process, so residents can access the right support based on their needs.
Find Support Services	The Council's search engine which helps residents find local support services, including organisations offering lots of different services and activities.

Money Hub	The Council's service which helps residents struggling with finances, advice, making applications, referrals, sign-posting etc.
Shared Plan and Single View	<ul style="list-style-type: none"> • 'Shared Plan' a plan of action setting out tailored support for each resident which helps Council officers and <ul style="list-style-type: none"> • Single View' which helping Council officers from different services to work together to gather resident data and case notes from multiple systems and present it in one place

Below is a breakdown of the project benefits and outcomes:

Project	Project Outcomes
Housing Register	<ul style="list-style-type: none"> • Build further enhancements to the Housing Register system • Design and build a waiting time calculator tool that will enable people to see how long the wait is for (a) people who want to go on the housing register (b) people already on the housing register • Provide an easy and repeatable set of real-time reporting that allows the service to report information to stakeholders and make effective management decisions based on the volume and status of work in the application
Book Temporary Accommodation	<ul style="list-style-type: none"> • Build and go live of a Temporary Accommodation Booking tool to effectively manage the booking of residents into and out of temporary accommodation • Development and further functionality in the booking tool to ensure that we are meeting financial and legal compliance • Development of further functionality: <ul style="list-style-type: none"> ○ Manage payments to landlords ○ Change control and access control
Temporary Accommodation finance management	<ul style="list-style-type: none"> • Management of Arrears functionality • Income collection functionality
Single View and Shared Plan	<ul style="list-style-type: none"> • Improve Single View based on user research and service needs

	<ul style="list-style-type: none"> • Make Shared Plan live • Define and set up ongoing product support plan
Here to Help product suite: Here to help, Better conversations, Find support services, Hackney Money Hub	<ul style="list-style-type: none"> • Feature enhancements to support the Money Hub service and customer services

The proposed funding will include specialist technical roles needed to deliver the planned work, using fixed term roles to reduce costs associated with agency staffing / outsourcing to external providers, and also support the longer term talent pipeline for the Council's digital teams. These posts are expected to last for 2 years.

Work will be delivered through an agile delivery approach, with regular planning and prioritisation and stakeholder engagement through show & shares. The team will use agile methodologies, as well as show and tells, lunch and learns and community of practice(s) to ensure knowledge transfer. They will create lightweight, agile documentation and artefacts such as process maps, vision and product strategy.

This capital expenditure will enable the Council both to improve and deliver new Hackney-owned products to meet the needs of some of our most vulnerable residents. As well as delivering current priorities this also provides an extensible software platform that can continue to be developed to meet future needs, demonstrating the Council's ambition to modernise the Council's digital technologies. This includes the in-house development of open source, cloud based software where the commercial market does not provide software that meets the standards we require.

In addition it demonstrates the Council's commitment to tackle poverty and inequality and respond to the housing crisis, supporting priorities in the Council's 2018-2028 Sustainable Community Strategy. This approval will have no net impact as the resources already form part of the capital programme.

Project milestone	Estimated completion date
Advertise new roles	June 2023
New hires start	Sept 2023
End of fixed term contracts	March 2025

11.1.3 **Liveable Hackney:** Spend approval of **£1,006k (£906k in 2023/24 and £99.7k in 2024/25)** is requested to enable the Council’s ICT Department to deliver further work to modernise the digital services to support the strategic objectives of the Council’s public realm services (including Planning and Building Control; Licensing; Land charges; Environmental Operations; Community Enforcement and Business Regulation; and Public Realm, Highways and Streetscene).

This builds on the work that has taken place through recovery from the cyberattack to offer resident-focused and easy to use digital services; meet regulatory and legal requirements; and enable revenue to come back into the Council.

This includes development of new services using commercial software packages to deliver the following outcomes:

Project Areas	Short Description
Planning and Building Control	<ul style="list-style-type: none"> ● Statutory obligations of Planning and Building control for land and buildings
Licensing	<ul style="list-style-type: none"> ● Issuing of premises licences ● Club premises certificates ● Personal licences ● Temporary Event Notices ● Environmental Health, Environmental Protection, Licensing & Trading Standards ● Community Enforcement: Antisocial Behaviour, Housing: Antisocial Behaviour, Community Enforcement: FPN (Fixed Penalty Notice)
Land charges	<ul style="list-style-type: none"> ● Maintain Land Charge Register ● Administer Land Charge Searches and reports
Environmental Operations	<ul style="list-style-type: none"> ● Hygiene Services ● Waste Management
Community Enforcement and Business Regulation	<ul style="list-style-type: none"> ● Support protection of Noise nuisance of Hackney’s pubs, shops and commercial spaces ● Anti social behaviour ● FPN (Fixed Penalty Notice)
Public Realm: Highways and Streetscene	<ul style="list-style-type: none"> ● Highways and public realm ● Support Hackney's vision to reduce reliance on road transport and tackle climate change

Below is a breakdown of the project benefits and outcomes:

Project Areas	Project Outcomes
Planning and Building Control	<ul style="list-style-type: none"> ● Further extract, transform and load of data from historic systems. ● Implement new processes to support the delivery of Planning, Land charges and Private Sector Housing data services. M3 (legacy) and Idox Cloud (new SaaS system). ● Support work required for the transfer of Planning powers back to Council from LLDC (London Legacy Development Corporation), including the transfer of planning data relating to the Olympics into their relevant surrounding boroughs. <ul style="list-style-type: none"> ○ Planning applications ○ Active pre-planning applications ○ Enforcements ○ Section 106 Agreements (obligation and financial tracking information) ○ Community Infrastructure Levy (liability and financial tracking information) ○ Council's Local Plan 2020 – 2036 and related documents
Licensing	<ul style="list-style-type: none"> ● System Build (CRM / SaaS build-out) ● configuration and implementation for Community Safety, Business Regulation & Enforcement service modules <ul style="list-style-type: none"> ○ TENS - Temporary Event Notices ○ Environmental Health ○ Environmental Protection ○ Licensing & Trading Standards ○ Antisocial Behaviour ○ FPN (Fixed Penalty Notice) ● Re-platforming: System Build, System Implementation for NoiseWorks (a CRM system)
Land charges	<ul style="list-style-type: none"> ● Transfer of planning powers, for the Queen Elizabeth Olympic Park and surrounding areas, from the London Legacy Development Corporation to Hackney in 2024. ● Hackney will be working in partnership with HM Land Registry (HMLR) to standardise and migrate local land charges register information to one accessible place.

Environmental Operations	<ul style="list-style-type: none"> ● Hygiene Services: Build and implement digital service to capture and process hygiene service requests. Integrate built system with Alloy [a system] for Hygiene services job allocation, job processing, job tracking and service delivery. Resident facing reporting e-form and booking service for Hygiene services. ● Waste Management: Build and implement a digital service to extend the waste and recycling receptacles stock management. To allow residents/customers to track the status delivery, collection and engagement of recycling services, Estates, Domestic and Commercial Waste. Objective to reduce Customer service interaction - with resident re: request status check & free up licences in Alloy.
Community Enforcement and Business Regulation	<ul style="list-style-type: none"> ● Replatforming (System Build, System Implementation) of NoiseWorks
Public Realm: Highways and Streetscene	<ul style="list-style-type: none"> ● System Build, System Implementation: Alloy - Highways & Streetscene ● The systems will be used to manage issuing of traffic regulation orders (or temporary traffic restriction) under the Road Traffic (Temporary Restrictions) Act 1991 to accommodate e.g. - street works - construction works - in some cases for street parties or festivals

This capital expenditure will support a well-run Council that delivers high quality services for our residents. The implementation projects will deliver services that ensure smooth business operations, greatly improve reliability, resilience and efficiency across the wider Council.

As well as ensuring that the Council can comply with regulatory and legal requirements it will also support the revenue coming into the Council from various paid for services.

This work demonstrates the Council's commitment to achieving balanced, sustainable communities and neighbourhoods which celebrate our diversity and share in London's growing prosperity, to enable a good quality of life for all. In addition it demonstrates the Council's commitment to work in partnership with the Police, local residents, businesses, licensees and community and regulatory agencies towards safeguarding the quality of life for residents, and the creation of a safer and more pleasant environment for all. This capital project supports all the Priorities in the Council's 2018-2028 Sustainable Community Strategy. This approval will have no net impact as the resources already form part of the capital programme.

Project milestone	Estimated completion date
Advertise new roles or develop contract extensions	June 2023
New hires start	Sept 2023
End of fixed term contracts	April 2024

11.2 **Climate, Homes & Economy**

11.2.1 **Leisure, Parks and Green Spaces:** Resource and spend approval of **£2,075k** is requested for additional funding for three projects: **Abney Park Restoration (£875k in 2023/24), London Fields Lido Teaching Pool (£700k in 2024/25) and West Reservoir Improvements (£500k in 2024/25)**. The delivery of any construction projects is incredibly challenging at present, with significant inflationary pressure impacting on cost plans and ultimately costs for contractors and suppliers - recent research indicates that in the last three years there has been an increase of 41% in the cost of construction materials because of material unavailability, extra shipping costs and delays, and the Ukraine conflict. This is the case with three projects currently being delivered by the Leisure, Parks and Green Spaces Service:

Abney Park Restoration Project: The Council is currently moving into the final stages of delivering the restoration project at Abney Park. The revised programme from the contractor will see completion in the Autumn 2023. Unfortunately however the budget is under significant pressure due to a range of factors:

- Additional works related to the historic nature of the Cemetery (i.e. significantly more underpinning of the Chapel than was anticipated, structural repairs to historic walls etc);
- Challenges related to inflationary pressures from the market and suppliers (as the contractor was appointed prior to the significant inflationary pressures being experienced by the construction sector);
- Extension of Time claims from the contractor;
- Fee claims from the design team;
- Multiple personnel changes;
- Problems with finding suitable sewer connections; and
- Theft and vandalism to the site.

London Fields Lido Teaching Pool: The Council is currently developing a project to deliver a new Teaching Pool at London Fields Lido. The original budget for the project was £4.5m based on a feasibility study completed before recent inflationary pressures on construction costs. The project was originally intended to deliver a number of elements.

During RIBA Stage 1 design development, due to the significant cost escalations above the available budget and the need to deliver an unexpected sub-station, two elements were removed from the project scope to focus on the delivery of the core element of the scheme - the teaching pool and changing facilities. Unfortunately however, as the design has developed, the project is still projected to be significantly over budget, despite various rounds of value engineering already being undertaken. Based on the current RIBA Stage 3 Cost Plan, the total project cost (including contingency) is £5.097m (£597k over budget). Whilst this budget figure still includes design contingency, it is considered a prudent revised budget for the project given current construction cost inflation. The current programme for the delivery of the project is outlined in the table below:

Task	Programme
Public Consultation	Completed
RIBA Stage 3 Design Development	Completed
Submit Planning Application / Common Land Application	W/C 24 July 2023 (pending cost plan approval)
RIBA Stage 4 Design Development	Completed 4 Aug 2023
Construction Procurement & Pricing (Second Stage)	4 Aug - 24 Nov 2023
Construction Commences	26 Feb 2024
Practical Completion	11 Nov 2024

West Reservoir Improvement Project: The Council has begun the design process to open up West Reservoir to wider public access and improve the facilities on offer to the public and had consulted on the proposals. Unfortunately, however, given the passage of time since the original budget of £2.3m was agreed (which includes £700k GLA's Green and Resilient Spaces funding for the delivery of some of the green space elements), the project is already under significant cost pressure at RIBA Stage 2 design due to high inflation levels currently affecting the construction sector and therefore cost plans, and also the need to respond to the outcome of the public consultation. Despite a real focus on priorities and also considering value engineering at an early stage this is still the case. It is therefore currently estimated that an additional budget of £500k will be required to deliver the project to an acceptable standard to meet the GLA's (one of the funders) and the local communities expectations. The current programme for the delivery of the project is outlined in the table below:

Task	Programme
RIBA Stage 2 Design Development	Completed
Public Consultation	Completed
RIBA Stage 3 Design Development	July 2023
Submit Planning Application	Sept 2023
RIBA Stage 4 Design Development	Sept - Nov 2023
Construction Procurement	Nov 2023
Construction	Jan 2024
Practical Completion	Sept 2024

It should be noted that there is a requirement for the GLA's funding to be spent by 31 March 2024.

Additional Capital Funding Proposals: The following additional funding proposals are proposed for the three projects:

- a) **Abney Park Restoration Project:** £875k is allocated from the following sources to help complete the Abney Park Restoration Project:
 - £154k funding from the overall Abney Park project that is not required for its intended purpose and can now be directed towards meeting the construction cost overspend; and
 - Up to £721k from the Council's Parks Infrastructure Capital budget. If the overspend is not as significant (as is suggested by the Quantity Surveyor once claims are settled, then the budget will remain available to Parks Infrastructure works).
- b) **London Fields Lido Teaching Pool:** £700k is allocated from the Council's Essential Maintenance to Leisure Centres Capital Budget to help fund the London Fields Lido Teaching Pool Project.
- c) **West Reservoir Improvement Project:** £500k is allocated from the Council's Leisure Centre Management Earmarked Reserve to help fund the West Reservoir Improvement Project.

This approval will be part-funded by capital contributions already in the capital programme and earmarked reserves held by the local authority.

11.3 S106 Capital for Approval

Capital Resource and Spend approval is requested for **£1,176k (£614k in 2023/24 and £562k in 2024/25)** of S106 capital funding to be financed by S106 contributions. The works to be carried out are in accordance with the terms of the appropriate S106 agreements.

Agreement No.	Project Description	Site Address	2023/24 £'000	2024/25 £'000	Total
2018/0494	Clapton Common Play Area Refurbishments	54A Clapton Common London, E5 9AL	46	0	46
2013/3608	Digital Signage in Libraries Project	70B Oldhill Street, London, N16 6NA	8	0	8
2009/1021		3-11 Stean Street E8 4ED	4	0	4
2011/3021		62 Paul Street, London EC2A 4NA	9	0	9
2016/2713		St. Leonards Court New North Rd. London N1 6JA	1	0	1
2012/3259		145 City road London EC1-37 East Road N1 6AZ	12	0	12
2012/3259		A Community Garden & Accessible Lift at Stamford Hill Library	145 City road London EC1-37 East Road N1 6AZ	94	0
2015/3811 & 2013/3856		92-94 Stamford Hill London N16 6XS	30	0	30
2019/0462	Worship Street & Clifton Street Public Realm Improvements	Quick and Tower House, 65 Clifton Street, EC2A 4JE	300	331	631
2019/3936	Public Realm Improvements in front of 39-47 East Road	39-47 East Road, London, N1 6AH	0	165	165
SOUTH/602/97/FP	Tree Planting near Principal Place	9 Appold Street, 72-90 Worship Street, Broadgate West	5	0	5
2011/3021	Leonard Street (west) Public	62 Paul Street, London, EC2A 4NA	21	0	21

	Realm Improvements				
2017/0596	Cycle stands at (and near) New Inn Yard	183-187 Shoreditch High Street, bounded by Holywell Lane, New Inn Yard, and rail viaduct, London, E1 6HU	13	0	13
2007/2004	Public Realm Improvements Hertford Road	Crown and Manor Club, 1 Wiltshire Row - London, N1 5TH	0	54	54
2009/1959 & 2009/1960		Tyssen 2-10 Hertford Rd London N1 5SH	0	11	11
2013/1345	Public Realm Improvements Luke Street and Phipp St	8-10 Paul Street London EC2A 4JH	51	0	51
2015/1700		The Holywell Centre 1 Phipp Street London EC2A 4PS	21	0	21
Total Capital S106 for Approval			614	562	1,176

11.4 S106 Revenue for Approval

Resource and Spend approval is requested for **£77k (£67k in 2023/24 and £10k in 224/25)** of s106 revenue funding to be financed by S106 contributions in accordance with the terms of the appropriate S106 agreements.

Agreement No.	Project Description	Site Address	2023/24 £'000	2024/25 £'000	Total
2013/4000	Principal Climate Change & Sustainability Officer	R Greens 1 Mentmore Terrace London E8 3PN	16	0	16
2016/3242		28-30 Hoxton Street & 31-37 Hoxton Street, Hackney N1	11	0	11
2018/0317		Formerly Royal Park Hotel, 350-356 Seven Sisters Road, Hackney, London, N4 2PG	5	0	5
2015/1700		The Holywell Centre 1 Phipp Street London	1	0	1

		EC2A 4PS			
2015/1834		84-86 Great Eastern Street, & 1-3 Rivington Street, London, EC2A 3JL	35	5	40
2015/3580		501-505 Kingsland Road	5	5	0
Total Revenue S106 for Approval			67	10	77

The project will provide funding for employment of a dedicated Principal Climate Change and Sustainability Officer within the Planning Service. The post will allow for scrutiny of the sustainability credentials of proposals, and ensure ongoing carbon emissions reductions through scheme design and/or carbon offsetting. In particular, this officer is responsible for securing contributions to the Carbon Offset Fund by assessing and negotiating planning applications, ongoing monitoring of the COF, providing advice to contribute to preparation of bids for allocation of funds and assisting in the assessment of bids to ensure projects are in line with adopted guidelines and ultimately deliver cuts to carbon emissions within the Borough.

12. **For Noting**

12.1 **S106 Capital for Noting**

The s106/CIL Corporate Board Meeting dated 3 April 2023 considered and approved the following bids for resource and spend approval. As a result **£38k in 2023/24** was approved to spend in accordance with the terms of the appropriate s106 agreements.

Agreement No.	Project Description	Site Address	2023/24 £'000
2017/3600	Highways Wk 130 Kingsland High Street E8 2NS	130 Kingsland High Street, E8 2NS	19
2018/4011	Highway Wks Mildenhall Road	2a Mildenhall Road, E5 0RU	19
Total Capital S106 for Noting			38

12.2 **Government's Social Housing Decarbonisation Fund (SHDF) For Noting**

12.2.1 The Cabinet report dated 24 July 2023 (Key Decision No. CHE S227) approved the acceptance of grant with conditions from the **Government's Social Housing Decarbonisation Fund (SHDF)**. In 2020 the Government announced

the Social Housing Decarbonisation Fund (SHDF); a £3.8 billion programme over 10-years; that aims to improve the energy performance of social rented homes. A £62 million Demonstrator fund announced in 2020 was followed by £160 million for the 1st wave in the 2021/22 delivering to January 2023. Wave 2.1 went live in September 2022 with grants totalling £778 million announced in March of this year (2023). In March 2023 the Council was awarded a capital grant of up to **£4.5m** to part fund energy efficiency improvement works to up to 550 of our Council Homes and undertake associated maintenance works and to waive leaseholder charges. The selection of properties for this bid has focussed on homes. Some smaller blocks have been included. These include 9no. leaseholders. While these 9 homes are not included within the properties to be improved using the grant funding it may be necessary to carry out work to ensure that the neighbouring properties in the block can be brought to the EPC 'C' standard. The Council has, therefore, agreed to waive leaseholder recharges which will impact up to 9 leaseholders. This capital expenditure demonstrates the Council's Net Zero ambitions and helps residents lower the cost of heating in their homes. It also supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth'. This approval will have no net impact on the capital programme as it will be funded by grant.

12.3 10 former Right-to-Buy properties from Local Space For Noting

12.3.1 The Cabinet report dated 18 July 2022 (Key Decision No. FCR S078) gave resource and spend approval to enable Council officers to proceed with the purchase of **10 former Right-to-Buy properties from Local Space**. This gave resource and spend approval of up to **£4.25m** to purchase these properties. The purchase of 10 ex-RtB properties is required to enable the decant of the phase 2 Local Space properties which don't fit into the Council's Social Housing portfolio. This capital spend will support the increased supply of temporary accommodation available to the borough. There is a significant need to expand the stock of social housing in Hackney. As set out within Part 7 of the Housing Act 1996, the Council has a statutory duty to provide interim temporary accommodation to homeless households to whom it has a duty to provide permanent housing. Purchasing these properties will add additional units to our social housing portfolio that can be offered to homeless households currently within temporary accommodation, but also speed up the provision of up to 51 properties through the Local Space nominations agreement available at affordable rents into which we can discharge homeless households. This capital expenditure demonstrates the Council's ambition to address the housing crisis and increase the supply of affordable accommodation in Hackney. The capital spend also supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth'. This approval will be part funded by the GLA Buyback grant and the Right-to-Buy subsidy.

13. Q1 Capital Monitoring

This is the first Capital Programme monitoring report for the financial year 2023/24. The actual year to date capital expenditure for the four months April 2023 to July 2023 is £12.3m and the forecast is currently £244.7m, £113.2m below the revised budget of £357.9m. This represents a forecast of 80% of the approved budget of £307m, approved by Cabinet in February 2023 (Council's Budget Report). Each financial year, two re-profiling exercises within the capital programme are carried out in order that the budgets and monitoring reflect the anticipated progress of schemes. A total of £115m (phase 1 re-profiling) will be transferred to future years as set out in Appendix 1 and a total of £37.4m budget from 2022/23 will be brought into the current capital programme. A summary of the forecast and phase 1 re-profiling by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 Summary of the Capital Programme

Capital Programme 2023/24	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance (Under/Over)	Capital Adjustments	To Re-Profile 2023/24	New Bids	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	2,310	2,767	0	592	(2,175)	0	(2,175)	158	749
Adults, Health & Integration	2,166	3,304	129	2,447	(857)	(119)	(738)	0	2,447
Children & Education	14,422	21,269	2,346	18,485	(2,784)	0	(2,636)	0	18,633
Finance & Corporate Resources	30,339	40,170	2,345	37,232	(2,937)	30	(1,120)	(750)	38,330
Mixed Use Development	63,113	63,800	(563)	34,915	(28,885)	0	(28,885)	0	34,915
Climate, Homes & Economy	37,093	52,367	3,006	37,895	(14,472)	(38)	(13,622)	494	39,201
Total Non-Housing	149,443	183,676	7,264	131,566	(52,110)	(127)	(49,176)	(98)	134,275
AMP Housing Schemes HRA	51,408	52,991	6,006	48,752	(4,240)	(0)	(4,240)	1,365	50,116
Council Schemes GF	2,621	3,738	846	6,524	2,785	0	(2,102)	4,250	5,886
Private Sector Housing	2,031	1,932	440	1,702	(230)	(150)	(80)	0	1,702
Estate Regeneration	55,713	60,486	409	26,174	(34,312)	(633)	(33,679)	0	26,174
Housing Supply Programme	33,048	42,835	410	21,153	(21,682)	0	(21,682)	0	21,153
New Homes	0	0	15	633	633	633	0	0	633
Woodberry Down Regeneration	12,772	12,239	(3,139)	8,178	(4,061)	0	(4,061)	0	8,178
Total Housing	157,593	174,222	4,988	113,115	(61,107)	(150)	(65,844)	5,615	113,842
Total Capital Budget	307,036	357,898	12,251	244,681	(113,217)	(277)	(115,020)	5,517	248,118

CHIEF EXECUTIVE'S

The current forecast for the overall Chief Executive's is £0.6m, £2.2m below the in-year revised budget of £2.8m. Below is a brief update on the main variance:

CX Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Libraries and Archives	2,310	2,767	0	592	(2,175)
Total Non-Housing	2,310	2,767	0	592	(2,175)

Stoke Newington Library (Refurbishment) - The forecast is £0.3m, £1.3m below the respective in-year budget of £1.7m. The project has been re-planned to start the stakeholder engagement process earlier than originally planned. As a result, it is now envisaged that the main contract for repairs to the building will run from summer 2024, subject to the procurement process generating value for money tenders. Therefore the budget will be re-profiled to reflect the likely timeframe of the project.

ADULTS, HEALTH AND INTEGRATION

The overall forecast for Adults, Health and Integration is £2.5m, £0.9m below the respective in-year budget of £3.3m. Below is a brief update on the main variance:

AHI Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Adults, Health and Integration	2,166	3,304	129	2,447	(857)
TOTAL	2,166	3,304	129	2,447	(857)

Hackney Mortuary (Refurbishment) - The forecast is £1.1m, £0.9m below the respective in-year budget of £2m. The design and planning is complete. The two tenders are out. One for the building and one for the equipment (fridges etc) both due back September 2023. The award of the contract is due by Autumn 2023. The construction 'start on site' date is expected by Autumn 2024. Therefore the variance will be re-profiled to reflect the likely timeframe of the project.

CHILDREN AND EDUCATION

The current forecast is £18.5m, £2.8m below the in-year revised budget of £21.3m. More detailed commentary is outlined below.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Children & Family Services	0	327	0	152	(175)
Education Asset Management Plan	6,937	7,817	419	6,509	(1,309)

Education Sufficiency Strategy	0	48	0	5	(43)
SEND and Other Education	1,036	3,649	545	2,122	(1,527)
Primary School Programmes	4,121	6,110	940	7,036	926
Secondary School Programmes	2,328	3,318	442	2,662	(656)
TOTAL	14,422	21,269	2,346	18,485	(2,784)

Children & Family Services

The forecast for the overall Children and Family Services is £152k, £175k below the in-year respective budget of £327k. Below is a brief update on the main variance:

Shoreditch Play Adventure - The forecast is £152k, £175k below the in-year respective budget of £327k. The contract award for project management is imminent. Once the team is appointed, they will re-tender the contract for the build. The underspend will be re-profiled to 2024/25 in line with the revised timeframe.

Education Asset Management Plan

The forecast for the overall Education Asset Management Plan is £6.5m, £1.3m below the in-year respective budget of £7.8m. Below is a brief update on the main variances:

Bentham Primary School (Mitigation Work) - The forecast is £41k, £455k below the in-year respective budget of £496k. The mitigation works are complete. There is just a small cost for erecting the school fences. This work relates to overlooking at the site to protect privacy from neighbours. This underspend will contribute to identified overspends in the overall programme.

AMP Contingency Budget - The forecast is £236k, £517k below the in-year respective budget of £753k. This is the contingency budget held for the overall programme to respond to any reactive maintenance and unexpected increases in project costs. The forecast is based on the programme of works expected for this year. The underspend will be re-profiled to 2024/25 to support next year's programme of works.

Berger Primary School (Comfort Cooling System) - The forecast is £266k, £277k below the in-year respective budget of £543k. The project is in the procurement stage. The tenders are being validated by the procurement team and planned works will start in quarter 3 once contractors have been appointed. The variance has been re-profiled to next year to reflect the actual spend for the works identified.

Woodberry Down Primary School (Window Replacement, Tile Finish to Building Fabric and Decarbonisation Works) - The forecast is £50k, £850k below the in-year respective budget of £900k. This work is to install Crittal windows which are traditional steel framed windows. The school will be replacing all its

windows for these types of windows. They also plan to have a 'tile finish' around the school and there are plans to update the school with decarbonisation works such as replacing the lighting with LEDs to meet the Council's Net Zero Strategy Plan. The project is in the procurement stage and the variance has been re-profiled to next year to reflect the likely timeframe of the project.

Education Sufficiency Strategy

There are no material variances.

SEND and Other Education Services

The forecast for the overall SEND and Other Education Services is £2.1m, £1.5m below the in-year respective budget of £3.6m. 7 projects are in their initial stages and meetings are taking place to discuss the procurement stage. Therefore an overall total of £1.5m will be re-profiled to future years. Below is a brief update on the remaining significant variances:

The Garden School Expansion and Provision of Sixth Form (SEND) incl Roof and Pipework and asbestos - The forecast is £4k, £675k below the in-year respective budget of £679k. The overall budget for this project was approximately £5.3m. The final stage of the works have reached 'practical completion'. Practical completion refers to the date when the property is signed off by Building Control and all defect works completed. The variance will be re-profiled to 2024/25 to support the Education SEND capital strategy that is ongoing.

Education SEND Strategy - The forecast is £138k, £100k below the in-year respective budget of £238k. This project is Phase 2 of the feasibility studies to consider options available to provide expanded and additional SEND places. At this stage the schools are yet to be identified. The variance will be re-profiled to 2024/25 to reflect the likely timeframe of the project.

Primary School Programmes

The forecast for the overall Primary School Programme is £7m, £0.9m above the in-year respective budget of £6.1m. Below is a brief update on the main variances:

Woodberry Down Children Centre - Relocation - The forecast is £2.7m, £0.3m above the in-year respective budget of £2.4m. The forecast overspend relates to the condition of the roof which requires a 'variation of work' to the redesign of roof structure. A variation of work is an alteration in the scope of works in a construction contract. The overspend will be funded by identified underspends across the programme.

Gayhurst (Facades Work) - The forecast is £773k, £246k above the in-year respective budget of £527k. This overspend relates to the revision to the scope

of works due to the failing roof. The variation to the project is now approved. The overspend will be funded by identified underspends across the programme.

Mandeville (Facades Work) - The forecast is £1.14m, £1.10m above the in-year respective budget of £40k. The variation is as a result of additional health and safety works to the roof. This work was identified as likely to be required in May 2022. Inspections were undertaken by the contractors and specialist consultants following a local incident and it was determined that the entire roof exhibited similar defects and that all the stonework to this roof level would require urgent reactive maintenance. The overspend will be funded by identified underspends across the programme.

Secondary School Programmes

The forecast for the overall Secondary School Programmes is £2.7m, £0.6m below the in-year respective budget of £3.3m. Below is a brief update on the main variances:

Lifecycle Works (Early Failure/Reactive) Contingency Budget - The forecast is £1.3m, £1.1m below the in-year respective budget of £2.4m. This is the contingency budget to support the overall programme and support the capitalisation of project manager direct costs, emergency and health and safety schemes across the programme in the year. Part of the budget will be used to fund identified overspends across the programme and the remaining budget will be re-profiled to 2024/25 to support future works.

Temporary Secondary School Audrey Street Site - The forecast is £337k, £218k above the in-year respective budget of £119k. The project to restore the grounds and park after dismantling the modular building is currently underway. The costs are coming in higher than originally estimated. The overspend will be funded by the 2023/24 Lifecycle contingency budget.

Haggerston School Lifecycle (Roof & Boiler replacement) - The forecast is £409k, £214k above the in-year respective budget of £195k. The works related to the ongoing roof replacement on site. The planned delivery of this contract will conclude in 2023/24. The overspend will be funded by the 2023/24 Lifecycle contingency budget.

FINANCE AND CORPORATE RESOURCES

The forecast for the overall Finance and Corporate Resources is £72.1m, £31.8m below the in-year respective budget of £104m. More detailed commentary is outlined below.

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Property Services	19,211	21,456	1,917	20,032	(1,423)

ICT	1,383	3,445	118	2,366	(1,079)
Other Schemes	8,640	9,964	309	9,529	(435)
Temporary Accommodation	1,105	5,305	0	5,305	0
Total	30,339	40,170	2,345	37,232	(2,937)
Mixed Use Development	63,113	63,800	(563)	34,915	(28,885)
TOTAL	93,452	103,970	1,782	72,147	(31,822)

Strategic Properties Services - Strategy & Projects

The forecast for the overall Strategic Properties Services is £20.1m, £1.4m below the in-year respective budget of £21.5m. Below is a brief update on the main variances:

DDA (Disability) Capital Works - The forecast is £196k, £150k below the in-year respective budget of £346k. This budget will be used for the current schedule of works on all the Council's Core Campus buildings such as the Stoke Newington Town Hall and other campus works in 2023/24. The variance will be re-profiled to support future works in 2024/25.

Corporate Property Asset Management (CPAM) Database - The forecast is nil spend against the in-year respective budget of £110k. Currently the team is trying to recruit a Project Manager for the database procurement project. The majority of the budget will be used once procurement moves forward but that looks very unlikely to be in this financial year. Approximately 20% of the budget will be used to purchase several modules of 'Hard FM contractor CAFM (Concerto)' and expand the use of asset management database currently in use for the condition survey data (CIPFA AssetManager.net). Both of which will help transition to the Corporate database when procured. The budget will be re-profiled to the 2024/25 budget to reflect the likely timeframe of the project.

Voluntary and Community Sector Fire Risk & Remedial Works (General Fund) - The forecast is £0.8m, £0.8m below the in-year respective budget of £1.6m. The team is progressing with the schedules and consulting with the end users for the final program for each site. The majority of the work will commence in Autumn 2023. The variance will remain in this year's budget for now but will be reviewed next quarter.

ICT Capital

The forecast for the overall ICT Capital is £2.4m, £1.1m below the in-year respective budget of £3.5m. Below is a brief update on the main variance:

ICT Resource - The forecast is £1.8m, £1m below the in-year budget of £2.8m. This is the main budget for all ICT capital projects. The underspend is not being re-profiled as the team are working on imminent bids held for the Council's Education Device Refresh and Telephony Replacement. The variance will be reviewed next quarter.

Corporate Resources Other Schemes

The forecast for the overall Corporate Resources Other Schemes is £9.5m, £0.4m below the in-year respective budget of £9.9m. Below is a brief update on the main variance:

Building Access System (Replacement) - The forecast is £20k, £430k below the in-year respective budget of £450k. The project is estimated to start in December 2023. The plan is to spend £20k this year and the remaining next financial year. Therefore the variance has been re-profiled to the 2024/25 budget to reflect the actual spend of the project.

Temporary Accommodation

There is no material variance.

Mixed Use Developments

The forecast for the overall Mixed Use Developments is £34.9m, £28.9m below the in-year respective budget of £63.8m. This forecast largely relates to the Britannia site as Tiger Way and Nile Street are now complete with only retention and final payments due. The reason for the lower forecast is that the Britannia Phase 2b project (Residential Private & Social Housing) is slightly later starting on site and the construction spend has been amended in line with the contractor's construction estimated cash flow now that the contractor has been appointed. The variance has been re-profiled to future years (again in line with the contractors forecast cash flow). The remaining budget for Phase 1a (new Leisure centre) and Phase 1b (CoLASP) is for retention payments, Britannia Masterplan contingency and Colville energy centre contribution.

CLIMATE, HOMES & ECONOMY

The overall forecast in Neighbourhoods and Housing (Non) is £37.9m, £14.5m under the revised budget of £52.4m. More detailed commentary is outlined below.

Climate, Homes & Economy Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
Leisure, Parks & Green Spaces	17,220	24,109	1,116	14,979	(9,130)
Streetscene	14,991	19,738	1,266	19,332	(406)
Environmental Operations & Other	1,287	1,606	0	706	(900)
Public Realms TfL Funded Schemes	0	0	422	0	0
Parking & Market Schemes	1,457	1,304	0	926	(378)

Community Safety, Enforcement & Business Regulations	670	924	61	696	(228)
Regeneration & Economic Development	1,468	4,686	142	1,256	(3,430)
Total	37,093	52,367	3,006	37,895	(14,472)

Leisure, Parks and Green Spaces

The forecast for the overall Leisure, Parks and Green Spaces is £15m, £9.1m below the in-year respective budget of £24.1m. Below is a brief update on the main schemes causing the variances:

Kings Hall Leisure Centre (Refurbishment): The forecast is £3.6m, £1.6m below the in-year budget of £5.2m. The spend this financial year will cover the design team fees and Pre-Construction Services Agreements (PCSA) for contractors. A £0.5m contingency budget to cover any emergency repairs that are needed has also been included. The remainder of the budget will be reprofiled into next year.

Essential Maintenance to Leisure Facilities: The forecast is £1.1m, £1.3m below the in-year budget of £2.4m. This budget is held for reactive maintenance in the Council's leisure facilities. The underspend will fund the London Fields Lido Teaching Pool project which is due to be completed in Autumn 2024. The remaining budget will be re-profiled to the 2024/25 budget to fund further maintenance and repair works to the Council's leisure facilities as and when required.

London Fields Lido Teaching Pool: The forecast is £0.9m, £3.3m below the in-year budget of £4.2m. The project is at the design and planning stage with construction to commence in January 2024. The majority of the spend will take place once the contractor is appointed therefore the variance will be re-profiled to 2024/25 to reflect programme construction start date.

West Reservoir Improvements - The forecast is £0.5m, £1.9m below the in-year budget of £2.4m. The consultation is complete. The team is in the process of submitting a planning application by September 2023. The construction will start in quarter 4 and the variance will be re-profiled to 2024/25 to reflect programme construction start date.

Streetscene

The forecast for the overall Streetscene is £19.3m, £0.4m below the in-year respective budget of £19.7m. Below is a brief update on the main schemes causing the variance:

Dockless Bikes, EV Charging Points and Legible London Signing - The forecast is £229k, £370k below the in-year budget of £599k. The reduction in spend compared to budget is due to delays in the project due to long lead time

in procurement and the consultation process. The remaining variance will be re-profiled to the 2024/25 budget to continue the roll out of this programme.

Environmental Operations & Other

The forecast for the overall Environmental Operations & Other is £0.7m, £0.9m below the in-year respective budget of £1.6m. Below is a brief update on the main schemes causing the variance:

Waste & Fleet Replacement - The forecast is £0.1m, £0.9m, below the in-year respective budget of £1m. This forecast is based on the vehicles expected to be replaced this financial year. The budget will be used to cover two Parks electric vans and a small contingency will be held for any emergency replacements in the year. There is a long term plan to look at the Council's future fleet requirements and the desire to replace them with electric vehicles. The supply is not quite available on the market as yet but the Project Manager wants to progress a feasibility study later in the year. The variance will be re-profiled to the 2024/25 budget for the time being and will be reviewed as part of the next budget-setting exercise.

Parking & Market Schemes

The forecast for the overall Parking & Market Schemes is £0.9m, £0.4m below the in-year respective budget of £1.3m. Below is a brief update on the main schemes causing the variance:

Cycle Hangers - The forecast is £0.6m, £0.4m below the in-year respective budget of £1m. The variance is due to delays in the project due to long lead time in procurement and consultation process. The remaining variance will be re-profiled to the 2024/25 budget to continue the roll out of this programme.

Community Safety, Enforcement & Business Regulations

The forecast for the overall Community Safety, Enforcement & Business Regulations is £696k, £228k below the in-year respective budget of £924k. Below is a brief update on the main schemes causing the variance:

Enforcement Strategy database - The forecast is £137k, £220k below the in-year respective budget of £357k. The spend for this financial year will be on new laptops/tablets that are required to ensure compatibility with the new database. The remaining variance will be re-profiled to the 2024/25 budget to reflect the actual spend of the project.

Regeneration and Economic Development

The forecast for the overall Regeneration and Economic Development is £1.3m, £3.4m below the in-year respective budget of £4.7m. Below is a brief update on the main schemes causing the variances:

Dalston & Hackney Town Centre Sites Programme - The forecast is £0.4m, £0.4m below the in-year respective budget of £0.8m. The spend in 2023/24 relates mainly to Architects, Quantity Surveyors and Development Advisory services, which will enable development options on all of the town centre sites in the programme to be appraised. Once the development options have been considered, then a decision will be made on which sites are to progress either to a further design stage or to a decision on a delivery strategy for the site(s). Further capital bids will be submitted as required for all sites that move forward past the feasibility stage. The variance will be re-profiled to the 2024/25 budget to continue the next phase of the programme.

Affordable Workspace Programme - The forecast is nil spend against the in-year respective budget of £106k. The project manager is reviewing the programme and an options paper is being developed for approval. It is unlikely that the spend will take place this financial year. Therefore the variance will be re-profiled to the 2024/25 budget for the time being to allow for a full review of the options.

Hackney Central Levelling Up Projects - The forecast is £0.8m, £2.2m below the in-year respective budget of £3m. The LUF funding will be re-profiled to the next financial year. All LUF funding is on track to be spent before the grant funding deadline.

HOUSING

The overall forecast in Housing is £113.1m, £61.1m below the revised budget of £174.2m. More detailed commentary is outlined below.

Housing Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at July 2023 (incl c/fwd budget)	Spend	Forecast	Variance
	£000	£000	£000	£000	£000
AMP Housing Schemes HRA	51,408	52,991	6,006	48,752	(4,240)
Council Schemes GF	2,621	3,738	846	6,524	2,785
Private Sector Housing	2,031	1,932	440	1,702	(230)
Estate Regeneration	55,713	60,486	409	26,174	(34,312)
Housing Supply Programme	33,048	42,835	410	21,153	(21,682)
New Homes	0	0	15	633	633
Woodberry Down Regeneration	12,772	12,239	(3,139)	8,178	(4,061)
Total Housing	157,593	174,222	4,988	113,115	(61,107)

AMP Housing Schemes HRA

The overall scheme forecast is £48.8m, £4.2m below the in-year respective budget of £53m. Below is a brief update on the main schemes causing the variances:

Equan - HiPs Central - The forecast is £4m, £2.5m above the in-year respective budget £1.5m. Seaton Point has been extended by 18 months at a projected cost of £6.1m which will cover the costs of asbestos removal, replacing window frames that are not fire compliant as well as general price increases. This will be funded by underspends from within the Housing AMP Capital programme.

Mullaley - (HiPs South West) - The forecast is £0.4m, £1m below the in-year budget of £1.4m. The programme is in its final accounting stages but excludes the contractor's final account claims which is currently under discussion.

Estate Lighting - The forecast is £0.2m, £0.3m below the in-year budget of £0.5m. The underspend reflects the current programme of works which may increase subject to the tender being approved.

Lifts Major Components - The forecast is £0.6m, £0.4m below the in-year budget of £1m. Currently awaiting procurement and award of contract to a lift contractor.

Domestic Boiler Replacements - The forecast is £2.0m, £0.4m above the in-year respective budget of £1.6m. The forecast is higher and reflects the increased boiler replacement due to an increased programme of inspections this year. The variance will be funded by underspends from within the Housing AMP Capital programme.

Boiler House Major Works - The forecast is £2m, £1.7m above the in-year budget of £0.3m. The forecast reflects recent approval of a 5 year programme (£2m annually) to replace and enhance communal boiler houses across the Council's estates. This will be funded by underspends from within the Housing AMP Capital programme.

Fire Risk Works - The forecast is £3.1m, £2.3m below the in-year budget of £5.4m. The forecast is part of a wider fire entrance door programme approved at £5.6m. September will see the rollout of stage 1 which consists of the installation of 1,400 doors at a cost of £2.8m.

Green Initiatives - The forecast is £0.4m, £1.2m below the in-year budget of £1.6m. The programme is awaiting procurement of a mechanical contractor.

Hardwire Smoke Alarms - The forecast is £0.9m, £0.6m above the in-year budget of £0.3m. The programme replaces and enhances hard wire fire alarms ensuring safety standards are met over a mixture of large blocks and street properties. This will be funded by underspends from within the Housing AMP Capital programme.

Street Lighting - The forecast is £0.9m, £0.6m below the in-year budget of £1.5m. The SLA is almost completed but there are plans to issue an extended programme which the forecast includes.

Disabled Adaptation - The forecast is £1.7m, £0.7m above the in-year respective budget of £1m. There has been an increase in the volume of children's adaptations and an increase in the team to manage down the back-log of assessments. This will be funded by underspends from within the Housing AMP Capital programme.

Health & Safety Major Replacements - The forecast is £50k, £250k below the in-year respective budget of £300k. There are no major emergency works identified.

High Value Repairs - The forecast is £3m, £0.2m above the in-year budget of £2.8m. The forecast is based on the previous year's outturn whilst we await the implementation of an in-house jobbing database system. There is a plan to hold a mid-year audit and reconciliation of completed high value works.

Major Legal Disrepairs - The forecast is £20k, £170k below the in-year budget of £190k. These works are now being allocated to high value repairs.

Bridport - The forecast is £7.5m, £1.8m below the in-year respective budget of £9.3m. The reduction in spend compared to budget is due to uncertainties in costing estimates for rotting timber, water ingress and re-levelling of windows. Costs of repairing further defects are continuing to emerge and the timeline for completion is estimated to be mid 2024/25. The total capital spend estimate is now £10.6m (of which contract sum of works is £8.25m).

Council Schemes GF

The overall forecast is £6.5m, £2.8m above the in year respective budget of £3.7m. Below is a brief update on the main schemes causing the variances:

Temp Accommodation Voids Works - The forecast is £1m, £0.6m above the in-year respective budget of £0.4m. There is likely to be an overspend on this budget line, as the majority of all voids on Regeneration sites are still being utilised as Temporary Accommodation due to the lack of overall accommodation in the borough. Each unit is checked on an individual basis to ensure that the works are financially viable before proceeding. The budget from the 2024/25 budget will be reprofiled back to support the works.

Hostels - Major Repairs - The forecast is £0.3m, £2.1m below the in-year respective budget of £2.4m. There is less work than previously expected that will take place this financial year. The remaining budget will be re-profiled and utilised next financial year where the spend is forecast to be higher.

Purchase Leasehold Properties - The forecast is £5.2m, £4.2m above the in-year respective budget of £1m. 1 unit was completed in quarter 1 relating to the Local Space deal, with a further 4 expected to be completed in quarter 2 and the remaining 2 units to be completed before the end of the financial year. £4.2m is due to be added to the budget as set out in section 12.3, and the remaining funds will be spent on buybacks to be used as general needs housing.

Private Sector Housing Schemes

The overall forecast is £1.7m, £0.2m below the in year respective budget of £1.9m. Below is a brief update on the main schemes causing the variance:

General Repairs Grant - The forecast is £50k, £150k below the in-year respective budget of £200k. The forecast is based on expected grant awards for this financial year.

Estate Regeneration

The overall forecast is £26.2m, £34.3m below the in-year respective budget of £60.5m. Below is a brief update on the main schemes causing the variances:

Estate Renewal Implementation - The forecast is £10.5m, £1.8m above the in-year respective budget of £8.7m. The variance relates to the Mayor of Hackney's Housing Challenge where a number of large payments are expected this financial year, as some previously delayed projects start on site. All of this spend is fully financed through Right-to-Buy (RTB) receipts.

Kings Crescent 3&4 - The forecast is £4.3m, £3.9m below the in-year respective budget of £8.2m. The project is due to go into a cost optimisation period with the preferred contractor imminently, with a view to reducing costs and improving viability of the project. The start of this period has slipped since the budget was set and this is the reason for the underspend. The budget will be re-profiled and utilised in future years when works gather pace.

Colville Phase 4,5,6 & 7 - The forecast is £1.7m, £3.2m below the in-year respective budget of £4.9m. 4 Buybacks are currently expected across these phases during the 2023/24 financial year, however this number may increase if sellers approach the council and therefore this number will be monitored throughout the year. If the units can be used as Temporary Accommodation, 30% of the purchase price can be funded from RTB receipts.

Marian Court Phase 3 - The forecast is £2.6m, £4.1m below the in-year respective budget of £6.7m. All demolition works have now been completed after vacant possession was achieved during 2022/23. The project is entering a cost optimisation period with the preferred contractor, with a view to finding cost savings to improve viability. The start of this period has slipped since the budget was set and this is the reason for the underspend. The budget will be re-profiled and utilised in future years when works start on site.

Colville Phase 2C - The forecast is £3.6m, £19.2m below the in-year respective budget of £22.8m. The site is currently in a pre-construction services agreement (PCSA) phase with the preferred contractor. Demolition was due to take place in Spring 2023, however the actual works are not now due to start until March 2024, which is later than expected at the time of budget setting and this explains the underspend. The budget will be re-profiled to future years to reflect the updated cash flow forecast.

Nightingale - All phases - The forecast is £2.5m, £3.2m below the in-year respective budget of £5.7m. The project is entering a cost optimisation period with the preferred contractor, with a view to finding cost savings to improve viability. The start of this period has slipped since the budget was set and this is the reason for the underspend. The budget will be re-profiled and utilised in future years when works start on site. Additional funding has been secured from the GLA relating to the Social Rented units, which improves the viability of the project.

Asset Review Programme - The forecast is nil spend against the in-year respective budget of £2.3m. Each of the projects within the New Housing Programme are set out in the section further below where the spend will take place. This underspend will be re-profiled to 2024/25 and used to fund the individual projects in the New Housing Programme and a virement will be done from this budget as required.

Housing Supply Programme

The overall forecast is £21.1m, £21.7m below the in-year respective budget of £42.8m. This variance will be re-profiled to the 2024/25 budget. Below is a brief update on the main schemes causing the variances:

Wimbourne Street and Buckland Street - The forecast is £17.4m, £18.5m below the in-year respective budget of £35.9m. The sites are now under contract and the works have started. The reduction in spend compared to budget is due to the project being behind schedule, owing to the delayed delivery of a major part of the building fabric. This delay has been caused by the contractor and therefore no financial liability sits with the Council. It will cause a delay to handover and Liquid Ascertained Damages (LAD's) will be applied to recover some of the loss where possible.

Mandeville Street - The forecast is £228k, £187k above the in-year respective budget of £41k. An allowance has been made in the forecast for a claim from the contractor for an 'extension of time'. This is currently being investigated with the Employers Agent and our Internal Legal team to confirm our liability and various options and legal routes are currently being considered.

Fairbank Estate (Murray Grove) - The forecast is £0.1m, £1m below the in-year respective budget of £1.1m. Financial viability remains a challenge on this site due to site complexities. Minimal spend will be incurred this financial year and options appraisals are currently ongoing to try and rationalise the design of the project to bring it back to a viable position. It is likely that the GLA Brownfield Land Release Fund will be applied for in the near future, which would help improve the project's financial position.

De Beauvoir Phase 1 (Balmes Road, Down Road East/West, 81 Downham Road and Hertford Road) - The forecast is £0.4m, £0.4m below the in-year respective budget of £0.8m. Cost savings are being investigated to try and improve the viability of the 5 sites before they go out to procurement, with a current Invitation to tender (ITT) date of May 2024.

Pedro Street - The forecast is nil spend against the in-year respective budget of £1.3m. The ground contamination has now been rectified and is being monitored on an ongoing basis. Options to improve financial viability are being investigated and once viability has reached acceptable levels the contractor procurement process will start. There is minimal spend forecasted this financial year.

Lincoln Court - The forecast is nil spend against the in-year respective budget of £328k. The project is currently on hold whilst other works at the site take place and less complex sites are prioritised.

De Beauvoir Phase 2 (Rose Lipman) - The forecast is £380k, £279k below the in-year respective budget of £659k. Spend this year relates to design development and some asbestos removal works. The project is now following a similar timeline to De Beauvoir Phase 1 and joint Procurement routes are currently being considered to try and obtain best value.

Frampton Park (Woolridge Way and Tradescant House) - The forecast is £0.3m, £0.1m below the in-year respective budget of £0.4m. Viability remains an issue on these sites and the spend in year mainly relates to the demolition of the community centre and consultants fees. Options are being considered to improve viability before going out to tender for a construction contractor.

New Homes Programme

The overall forecast is £0.6m, £0.6m above the nil in-year budget. The budget for these projects is currently held in the Asset Review Programme, as mentioned above, and a virement will be done to move the budgets to cover the overspend. The spend in this financial year relates to Architects and other Consultants fees relating to design development of the projects.

Woodberry Down Regeneration

The overall forecast is £8.2m, £4m below the in-year respective budget of £12.2m. 37 'in phase' Buybacks are required to complete before July 2025. 16 Buybacks have been estimated to complete during this financial year. These costs will be reimbursed by Berkeley Homes as part of their Land Assembly charges and the remaining budget will be re-profiled to fund the buybacks in 2024/25 and 2025/26.

APPENDIX

Appendix 1 - Re-Profiling, Capital adjustments and Carried Forward Budgets to 2023/24

BACKGROUND DOCUMENTS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background

Papers used in the preparation of reports is required.

None.

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