

CAPITAL

This paper updates the Audit Committee following the Quarter 3 Capital Expenditure exercise for the financial year 2023/24. The actual year to date capital expenditure for the nine months April 2023 to January 2024 is **£71.7m** and the forecast is currently **£175.4m**, **£37.3m** below the revised budget of **£212.7m**. This represents a forecast of 57% of the approved budget of £307m, approved by Cabinet in February 2023 (Council's Budget Report). A summary of forecast by the directorate is shown in the table below along with brief details of the reasons for the major variances.

Capital Programme 2023/24	Budget Set at Feb Cab 2023	Budget Position at Dec 2023	Spend	Forecast	Variance (Under/Over)	Capital Adjustments	New Bids	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	2,310	366	2	401	35	200	0	566
Adults, Health & Integration	2,166	1,641	611	1,567	(74)	0	0	1,641
Children & Education	14,422	13,687	9,298	13,484	(203)	0	73	13,760
Finance & Corporate Resources	30,339	35,393	12,627	26,892	(8,501)	0	(350)	35,043
Mixed Use Development	63,113	27,668	1,499	20,706	(6,961)	0	0	27,668
Climate, Homes & Economy	37,093	30,798	16,314	25,601	(5,197)	(230)	42	30,609
Total Non-Housing	149,443	109,552	40,350	88,650	(20,903)	(30)	(236)	109,287
AMP Housing Schemes HRA	51,408	46,313	19,910	46,237	(76)	0	0	46,313
Council Schemes GF	2,621	5,886	3,430	6,569	683	0	520	6,406
Private Sector Housing	2,031	1,620	1,387	1,745	125	0	0	1,620
Estate Regeneration	55,713	20,689	4,912	17,037	(3,652)	0	0	20,689
Housing Supply Programme	33,048	19,760	3,451	9,753	(10,007)	0	0	19,760
New Homes	0	633	93	268	(365)	0	0	633
Woodberry Down Regeneration	12,772	8,246	(1,866)	5,160	(3,086)	0	0	8,246
Total Housing	157,593	103,147	31,317	86,769	(16,379)	0	520	103,667
Total Capital Budget	307,036	212,700	71,666	175,418	(37,281)	(30)	284	212,954

CHILDREN AND EDUCATION

The forecast for the overall Children and Education is £13.5m, £0.2m below the in-year respective budget of £13.7m. More detailed commentary is outlined below highlighting the main variances.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at Dec 2023	Spend	Forecast	Variance	Explanation
	£000	£000	£000	£000	£000	
Children & Family Services	0	249	18	87	(162)	No material variances.
Education Asset Management Plan	6,937	3,167	1,962	2,952	(215)	Main variance is Fernbank Children's Centre - £308k o/spend. Due to urgent rectification works to the plant room and water supply which is now complete. Another significant variance is Lauriston Primary School - £173k u/spend. The works to the replacement of lighting, fire alarm, fire doors and mechanical services refurbishment are in the early initial stages and will take place in 2024/25. The budget will be carried forward to 2024/25. Final significant variance is Gayhurst Primary School - nil spend against £100k budget. The works to the building fabric and the collapsed drainage sinkholes are in the early initial stages and will start in 2024/25.
Education Sufficiency Strategy	0	5	0	5	0	No material variances.
SEND and Other Education	1,036	1,676	1,220	1,604	(73)	No material variances.
Primary School Programmes	4,121	6,567	4,870	6,474	(93)	Main variance is Woodberry Down - £300k u/spend. Due to the redesign of the roof structure and the variation sign off will be completed in the next quarter. Another significant variance is Mandeville Primary School Facade Works - £300k o/spend. The variation is due to the revision of the scope of works which is being reviewed and awaiting legal sign off. The final significant variance is Orchard Primary School Facade Works - £100k u/spend. The majority of the works have been completed. The total value of the works is currently committed and paid. The variance will be carried forward to the 2024/25 budget and will support the final account.
Secondary School Programmes	2,328	2,023	1,228	2,362	339	Main variance is Lifecycle Works Contingency budget - £300k o/spend. This is the contingency budget to support the overall programme. This forecast is based on the expected work due in 2023/24. Any o/spend will be funded by the 2024/25 budget.
TOTAL	14,422	13,687	9,298	13,484	(203)	

FINANCE AND CORPORATE RESOURCES

The forecast for the overall Finance and Corporate Resources is £47.6m, £15.5m below the in-year respective budget of £63.1m. More detailed commentary is outlined below highlighting the main variances.

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at Dec 2023	Spend	Forecast	Variance	Explanation
	£000	£000	£000	£000	£000	
Property Services	19,211	18,929	11,347	16,614	(2,315)	Main variance is CCG Primary Care - £1.2m u/spend against in-year budget of £13.6m. Both sites are behind on their original programmes. Belfast Rd delays were caused by the Contractors Extension of Time Claim (EOT) regarding Archeological delays at the start of the programme. Completion dates are as follows: The Portico by Spring 2024 and the Belfast project by Summer 2024. Another significant variance is VCS Fire Risk & Remedial Works - £500k u/spend. The payments in 2023/24 will be construction works and consultancy fees. The u/spend will be utilised in 2024/25 to support the continuation of the works.
ICT	1,383	2,695	226	1,826	(869)	Main variance is ICT Main resource - £552k u/spend. This is the main budget held for all ICT capital projects across the Council. There are no further bids coming through for 2023/24. The u/spend will be held to partly cover any o/spends across the overall programme and the remainder carried forward to the 2024/25 budget to fund future bids.
Other Schemes	8,640	7,239	1,047	6,802	(437)	Main variance is Solar Project (Commercial) £303k u/spend. The forecast is based on the solar installation on the last two remaining sites due to complete in 2023/24 - Wren Park Community Centre and the Mortuary. The u/spend will be carried forward to the 2024/25 budget to continue the rollout of the project. Another significant variance is Green Homes Fund - £175k u/spend. 21 successful eligible applications have been received so far. There are some expected delays due to a lack of Retrofit Coordinators. Once these assessments are completed the works will commence.
Temporary Accommodation	1,105	6,530	6	1,649	(4,881)	Main variance is TA Investment - £4.2m u/spend. Due to the lower numbers of units expected to be completed. Four units are due for completion in 2023/24. The variance to be carried forward into 2024/25 to fund an additional six units, and £1m to be spent against CCTV for hostels. Another significant variance is Hostel Fire Risk & Remedial Work Programme - £569k U/spend. The forecast is based on the expected works due in 2023/24 which include lift and landlord maintenance work. The variance will be carried forward to the 2024/25 budget to support the rest of the programme.

Total	30,339	35,393	12,627	26,892	(8,501)	
Mixed Use Development	63,113	27,668	1,499	20,706	(6,961)	Britannia Site - Phase 1a (new Leisure centre) and Phase 1b (CoLASP) is for retention payments and some small expenditure for consultants wrapping up defects. Phase 2b (Residential Private & Social Housing) Design and Build contractor now on site and piling. In the previous quarter the payments for CIL and S106 were reprofiled to the 2024/25 budget as per the payment plan. There are two payments due before the end of March 2024.
TOTAL	93,452	63,061	14,126	47,598	(15,463)	

CLIMATE, HOMES AND ECONOMY

The overall forecast in Climate, Homes & Economy is £25.6m, £5.2m under the revised budget of £30.8m. More detailed commentary is outlined below highlighting the main variances.

Climate, Homes & Economy Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at Dec 2023	Spend	Forecast	Variance	Explanation
	£000	£000	£000	£000	£000	
Leisure, Parks & Green Spaces	17,220	12,561	5,277	8,930	(3,631)	Main variance is Kings Hall LC - £0.9m u/spend. The survey cost work continues. The Design Team is moving onto RIBA Stage 3. The PCSA to be awarded for work between February 2024 and June 2025. Another significant variance is Play Area Refurb - £0.7m u/spend. The contractor for Phase 2 sites (Hackney Downs, Clapton Common, Stonebridge Gardens and Well Street Common) will be appointed imminently. The Landscape Architects will be procured for Phase 3 sites. The project is awaiting the Planning & PINS decision (The Planning Inspectorate for England and Wales). The majority of the spend will take place once the contractor is appointed, therefore, any u/spend will be carried forward to the 2024/25 budget. The final significant variance is London Fields Learner Pool - £0.6m u/spend. The project is at RIBA stage 4. The project is awaiting the Planning & PINS decision. Any u/spend will be carried forward to the 2024/25 budget.
Streetscene	14,991	12,935	7,590	12,411	(524)	Main variance is Street Road Safety Programme - £188k u/spend. Start on site date is March 2024 for the identified works to road safety around the borough. Any u/spend will be carried forward to 2024/25 to reflect the change in the timeframe. Another significant variance is Street Lighting Column Structure Programme: £120k u/spend. The forecast is based on the expected works for the roll out of the programme. Any u/spend will be carried forward to the 2024/25 budget.

Environmental Operations & Other	1,287	796	165	584	(212)	No material variances.
Public Realms TfL Funded Schemes	0	1,701	2,393	1,701	0	No material variances.
Parking & Market Schemes	1,457	637	231	510	(127)	No material variances.
Community Safety, Enforcement & Business Regulations	670	789	361	587	(202)	No material variances.
Area Regeneration	1,468	1,379	297	878	(501)	Main variance is Hackney Central Town Development Project (LUF) - £0.5m u/spend. This project is in the early initial stages. The Bohemia Place Public Realm Project and the Morning Lane Commercial and Cultural Hub will start in 2024/2025. Town Hall Square was delayed, hence the u/spend in 2023/24.
Total	37,093	30,798	16,314	25,601	(5,197)	

HOUSING

The overall forecast in Housing is £103.2m, £16.4m below the revised budget of £103.2m. More detailed commentary is outlined below highlighting the main variances.

Housing Capital Forecast	Budget Set at Feb Cab 2023	Budget Position at Dec 2023	Spend	Forecast	Variance	Explanation
	£000	£000	£000	£000	£000	
AMP Housing Schemes HRA	51,408	46,313	19,910	46,237	(76)	Main variance is Front Entry Door £1.9m o/spend and Planned Internal Programme £2m o/spend. Forecast based on the installations and works to be done in 2023/24. Another significant variance is Communal Boiler Housing - £1.7m u/spend. Due to delays in site surveys, planning and site mobilisations. The final significant variance is Bridport - £1.5m u/spend. Due to lower costs estimates for rotting timer, water ingress and re-leveling of windows.
Council Schemes GF	2,621	5,886	3,430	6,569	683	Main variance is Temp Accom Works - £1.6m o/spend. O/spend is expected as the majority of all voids on Regen sites are still being utilised as TA due to the lack of overall accommodation in the borough. The other significant variance is Purchase Leasehold Properties - £0.9m u/spend. Forecast based on the number of units to be completed in 2023/24 (2 Local Space units and 3 HRA buybacks).

Private Sector Housing	2,031	1,620	1,387	1,745	125	Main variance is Based on Disabled adaption works due in 2023/24 which is fully funded by grant.
Estate Regeneration	55,713	20,689	4,912	17,037	(3,652)	Main variance is Estate Renewal Implementation - £2.5m u/spend. Slight delays on some of the sites and some grant agreements now unlikely to be signed before 31 March 2024. This spend will now occur in 2024/25.
Housing Supply Programme	33,048	19,760	3,451	9,753	(10,007)	Main variance is Wimbourne St & Buckland St - £10.4m u/spend. Due to the delayed delivery of major parts of the building fabric.
New Homes Programme	0	633	93	268	(365)	Main variance is due to delays in project starts. Expenditure this financial year relates to Architects and other Consultants fees relating to design development of the individual projects.
Woodberry Down Regeneration	12,772	8,246	(1,866)	5,160	(3,086)	Main variance is based on the number of Buybacks forecasted to be completed in 2023/24. 5 units have been bought back so far in 2023/24, with a further 6 expected to be completed.
Total Housing	157,593	103,147	31,317	86,769	(16,379)	