

Appendix B: capital programme 2025/26 and ten year plan

Executive summary

1. The Capital Strategy 2025/26 to 2034/35 outlines the Council's strategic ambitions, priorities, and objectives over the next 10 years. The capital budget for 2025/26 and ten year plan is the mechanism through which the Capital Strategy will be delivered.
2. A £2.2bn ten-year plan of capital investment is proposed within this report, consisting of £382.9m core services (including new £20.0m provision for urgent unforeseen schemes or opportunities and £100.0m funded budget for projects approved from pipeline), £664.4m for ten year temporary accommodation leases, £270.1m Meridian Water, £5.9m Housing Gateway Ltd (HGL), £25.5m for Energetik and £843.4m for the Housing Revenue Account (HRA).
3. It should be noted that £664.4m for ten-year temporary accommodation leases is an estimate at this stage and is subject to Cabinet approval to proceed with this new arrangement. Under accounting standards, the expenditure is required to be treated as capital, but it is proposed that the cost is met through the Housing Directorate revenue budgets. Without the capital investment in the ten year temporary accommodation leases, capital investment over the 10 years would be £1.5bn.
4. The ten-year capital plan is aligned with Council priorities and seeks to provide long-term workable solutions to current revenue budget pressures. For example, £664.4m capital spend on temporary accommodation solutions is now assumed within the ten-year capital plan, including £189.8m in 2025/26. This budget will not be utilised until detailed review and approval by Cabinet.
5. The ten-year capital plan also includes new funded provision of £2.0m each year for urgent unforeseen schemes and £10.0m each year for new capital projects approved from pipeline. This is borrowing funded provision that will attract the need for revenue debt repayment of up to £0.3m annually from 2026/27. Council is asked to delegate authority to approve utilisation of these provisions up to £500k to the S151 Officer, in consultation with the Cabinet Member for Procurement & Finance and otherwise to Cabinet.
6. The ten-year capital proposes £425.4m of new general fund borrowing over the next ten years, including £120.0m provision for pipeline and contingency. The revenue budget cost of this is estimated to be £93.1m (debt repayment and interest) over the next ten years.
7. The proposed ten-year capital plan has been reviewed by the Council's Executive Management Team to ensure that it is realistic, deliverable, affordable and is aligned with Council priorities. The ten-year capital plan is further supported by the Council's unfunded ten-year pipeline plan, which includes potential strategic projects at an early stage of development.
8. These projects are not included in the capital plan as their costs and benefits are yet to be properly quantified or they are at project feasibility stage, or funding is not yet secured. These projects will only be moved into the capital programme after Cabinet

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approval of a full business case that demonstrates strategic need, affordability, and value for money from the proposed project.

9. The proposed £2.2bn ten-year capital plan (excluding unfunded pipeline projects) seeks to invest:
 - **£1.78bn in “More and Better Homes”** (including delivery of strategic infrastructure works at Meridian Water to enable developers to build more homes, long-leases to increase temporary accommodation solutions (both within and outside Enfield); achievement of Decent Homes Standard by 2026 on council housing stock and flagship HRA developments, for example Joyce & Snells);
 - **£0.21bn in” An Economy that Works for Everyone”** (including rolling programme of investment in carriageways, footpaths and bridges, delivery of new and improved public spaces in Enfield Town, alongside better pedestrian, bus and cycling facilities, investment in digital infrastructure to ensure Council services are as accessible and effective as possible).
 - **£0.08bn in “Strong, Healthy and Safe Communities”** (including a new Mental Health & Wellbeing Hub, expansion of Formont Day Centre, continued investment in independent living for elderly and disabled residents, direct investment in leisure centres, playgrounds and outdoor gyms and a rolling programme of community safety initiatives, including CCTV cameras).
 - **£0.06bn in Thriving Children & Young People** (including essential works and services to improve and decarbonise the schools’ estate and measures to meet the demand for Special Education Needs (SEND) places).
 - **£0.05bn in “Clean and Green Spaces”** (including new cycle routes, active travel arrangements, flood alleviation and rewilding measures).
10. The ten-year plan has evolved significantly over the last year. The 2024/25 ten-year plan (approved February 2024) proposed £1.25bn spend in the 9 years between 2025/26 and 2033/34, funded £529.6m external grants and contributions, £241.9m HRA reserves and £479.9m borrowing. Subsequent changes include £71.1m of unspent 2024/25 capital budget proposed to be carried forward into 2025/26, growth of £843.9m in the first 9 years of the plan, programme reductions of £70.9m and inclusion of £96.6m for 2034/35 (new ‘year 10’ of plan). The largest elements of growth are £664m for temporary accommodation leases and £90m for inclusion in potential additions from the Pipeline programme. A breakdown is provided in Table 9 below.
11. The ten-year capital plan is funded from £508.3m capital grants, £3.6m s106 contributions and community infrastructure levy (CIL), £201.0m HRA capital receipts (including right to buy receipts), £274.5m HRA earmarked capital reserves, £664.4m other credit arrangements for ten-year temporary accommodation leases and £540.6m borrowing. The revenue debt financing costs of the proposed borrowing have been estimated to ensure they are affordable over the longer term and are within 10% of net revenue budget (NRB) in each year of the ten-year plan (a key affordability metric approved by Council in February 2024).
12. From 2025/26 onwards, each year includes a £10m borrowing budget for Pipeline programmes and £2m contingency for urgent works or unforeseen urgent projects. This is to ensure that there is capacity in the programme to respond to urgent requirements and that the resulting financing costs are realistic. This means that ten-year General

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Fund borrowing of £425.4m now includes £20.0m borrowing funded contingency for urgent unforeseen projects and £100.0m provision for new capital projects approved from pipeline. In contrast, planned HRA borrowing has decreased by £100.0m compared to the previous ten-year programme as a higher proportion of planned spend is now expected to be funded from external grants and other contributions.

13. In building the ten-year capital plan, officers have been mindful of the level of unspent historic capital grant, s106 contributions and Community Infrastructure Levy (CIL) available for use. This is reflected in the ten-year capital plan, which now includes new capital projects that specifically utilize this funding to best effect. Examples include expansion of Formont Day Centre and extension of Independent Living Programme for vulnerable adults. A needs-based and targeted 3-year schools capital strategy has also been developed with medium-term programme of investment to utilize historic unspent ringfenced Department for Education funding. Officers continue to review ways to optimize utilization of s106 contributions and CIL, both of which could be used for either capital or revenue spend, provided spend meets funding conditions. Members will note comparatively low planned utilisation of both funding streams in the ten-year capital plan until this work is completed.
14. There are key risks within the ten-year plan which are not currently financed, including the potential need to make unplanned minimum revenue provision for residual Meridian Water borrowing not recovered from future capital receipts. The pace of Meridian Water programme delivery (and its resulting impact on borrowing interest costs), and the timing of any disposal proceeds may be later than currently assumed. The Council is also lending to wholly owned subsidiaries and the current revenue position assumes that companies continue with all their principal and interest repayments to the Council.
15. The ten-year capital plan will evolve each year. Council is therefore asked to approve the budget for the first year of the plan only - 2025/26 capital programme budget of £493.8m. The proposed 2025/26 capital programme is detailed in Appendix B1. It consists of £44.7m core services spend (Resources, People and Environment & Communities), £10.0m provision for unplanned new projects, £2.0m contingency for projects approved from pipeline, £189.8m for ten-year temporary accommodation leases, £106.9m Meridian Water, £4.5m Housing Gateway Ltd and £7.6m for Energetik (general fund total £365.4m) and £128.2m for the HRA.
16. The 2025/26 capital programme of £493.8m is funded from £164.2m grants, £2.3m s106 contributions and Community Infrastructure Levy (CIL), £20.8m capital receipts (including Right to Buy (RTB) receipts), £21.2m HRA reserves, £189.8m other credit arrangements for temporary accommodation leases (initial lease creditor repaid from annual lease payments) and £95.5m borrowing.
17. Of the £493.8m proposed 2025/26 capital programme, £71.1m (14.4%) is unspent capital budget proposed to be carried forward from 2024/25 (£40.3m funded grants & contributions and £30.7m borrowing). This consists of £28.0m unspent budget approved by Council in September 2024 and a further £43.1m forecast unspent budget identified at Q3 2024. Of the total £71.1m unspent budget proposed to be carried forward from 2024/25, £57.5m (80.8%) relates to unspent Meridian Water (£28.8m borrowing funded budget and £28.7m HIF funded budget). There may be further carry forward requests upon finalization of the capital programme as at 31 March 2025.

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18. In approving the 2025/26 capital programme, Council is approving capital budget envelopes only. In accordance with the Council’s financial regulations further approval to spend will be required on all projects in the programme (unless approval has already been obtained for budgets carried forward from 2024/25). Approval to spend will be based on more detailed reports that explain more fully planned costs (including contingency) and benefits, expected outcomes, key milestones, strategic fit and value for money assessment and will be subject to Cabinet approval. Approval to spend is required for £250.4m of the proposed £365.4m 2025/26 general fund capital programme (Appendix B3). The majority of this is for temporary accommodation (£189.8m).

2025/26 Capital Programme (year 1 of the ten year capital plan)

19. Council is asked to approve £493.8m capital programme for 2025/26. This is the first year of the ten-year capital plan and consists of £365.4m spend in the general fund and £128.2m in the Housing Revenue Account (HRA). General Fund budget includes £106.9m for Meridian Water, £4.5m for Housing Gateway Ltd (HGL), £7.6m for Energetik and £44.7m spend on core services (education, adult social care, children & families, environment & communities, and digital services). It also includes £2.0m contingency for unplanned new capital projects and £10.0m borrowing funded provision for pipeline projects that could be approved by Cabinet during the year.

20. The 2025/26 capital programme also reflects the Council’s strategy to utilise long-leased accommodation to alleviate temporary accommodation revenue budget pressures. International Financial Reporting Standard 16 (IFRS16) requires Councils to recognize the ‘right of use’ value of leases as capital spend. This is equivalent to the total value of annual lease payments over the 10 years of the lease. £189.8m is included within the 2025/26 capital programme for ‘right to use’ of temporary accommodation housing solutions as summarized in Figure 1.

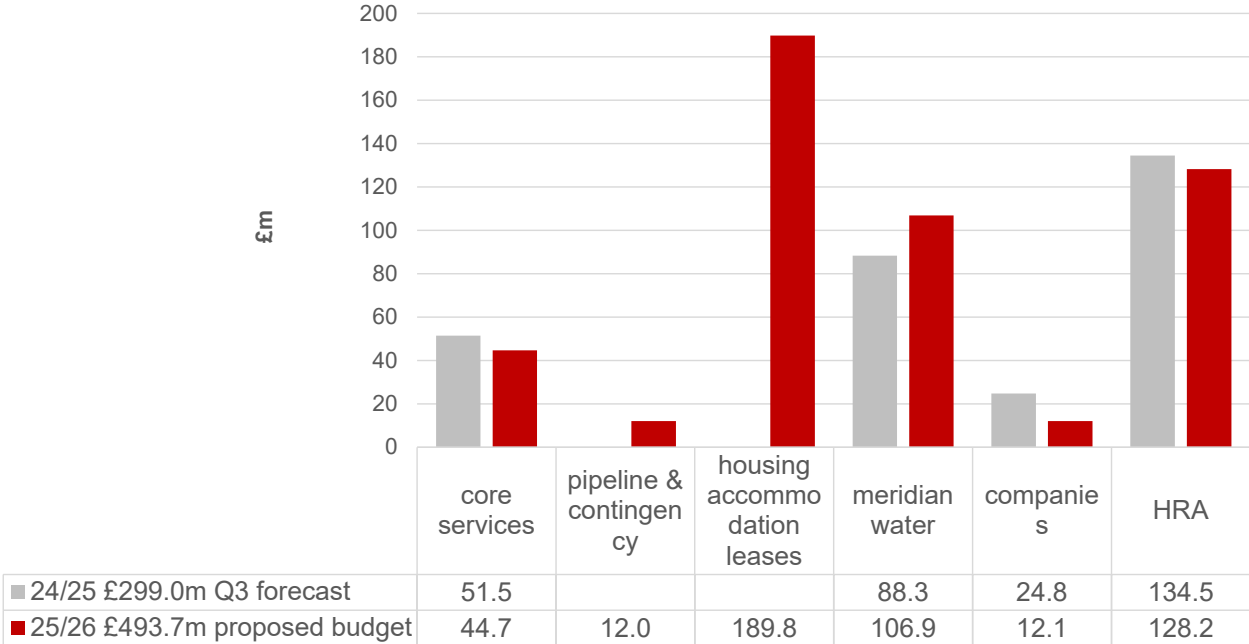


Figure 1: proposed £493.8m 2025/26 budget in comparison with £299.0m Q3 2024/25 forecast outturn.

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21. In addition to funded projects within the capital programme, £20.4m of unfunded projects are held within the pipeline programme for 2025/26. These consist of potential projects that require feasibility and deliverability studies, full business cases and value for money assessments in advance of approval. A full listing of pipeline projects is included as Appendix B6. Examples include:

- £6.9m for temporary accommodation purchases (as opposed to long leases),
- £1.1m for SEND alternative resource provision within schools,
- £1.1m for therapeutic foster care and respite.
- up to £1.5m for new children's homes (with potential 50% external grant funding),
- up to £1.5m for the relocation of the Drug & Alcohol Service,
- £1.9m for quieter neighbourhood improvements and £2.9m for civic estate property requirements.

Pipeline projects will only be moved into the main capital programme upon Cabinet approval of a robust business case.

22. Not all pipeline projects would require borrowing as a funding source. Of the £20.4m unfunded pipeline projects, up to £16.3m would be funded from borrowing and at least £4.1m from external grants and other contributions.

23. In anticipation, from 2025/26 the ten-year capital plan now includes £10.0m borrowing funded budget each year for borrowing on pipeline projects approved during the year. It is currently assumed that the borrowing on this budget will be repaid over 25 years although this may change depending on the exact asset class and to comply with the Council's Minimum Revenue Policy.

24. The £493.8m 2025/26 capital programme is funded from:

- £164.2m external grants and contributions,
- £95.5m borrowing,
- £21.2m HRA reserves (£116.7m total borrowing & reserves) and
- £189.8m other credit arrangements (initial temporary accommodation lease creditor repaid from annual lease payments).

25. Core frontline services including adult social care, education, flood alleviation and journeys & places continue to be funded proportionally more from external funding (capital government grants, s106 contributions and community infrastructure levy (CIL)) than borrowing and reserves. 76% of Meridian Water capital budget is also expected to be funded from HIF grant in 2025/26 as HIF funded strategic infrastructure works are scaled up following prior year programme delays (Figure 2).

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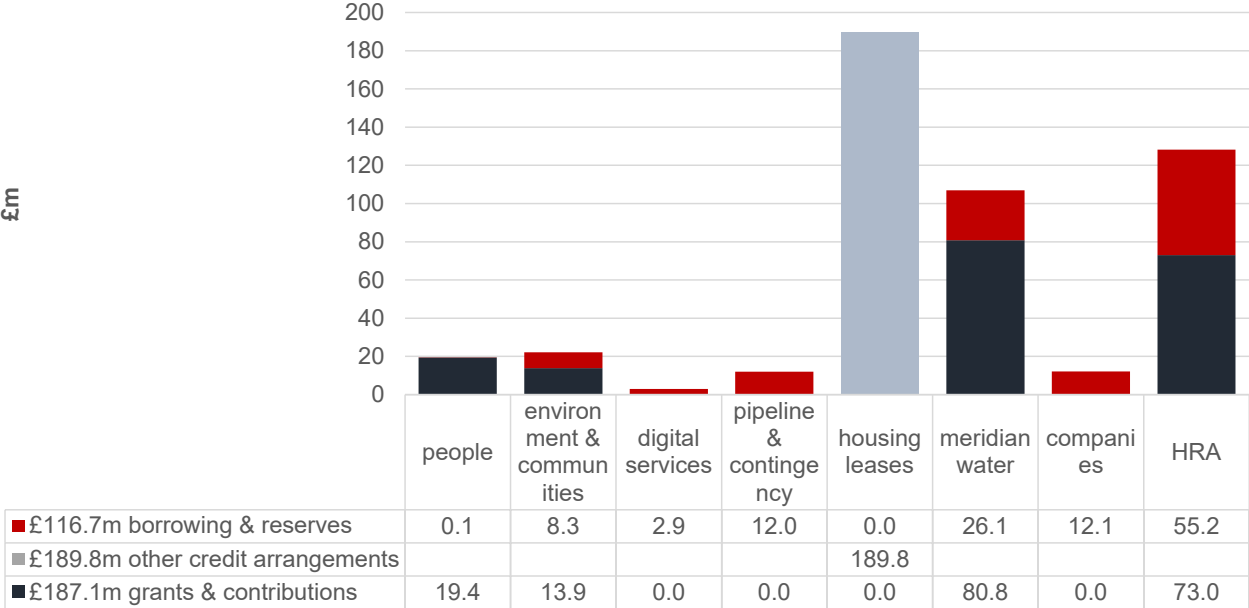


Figure 2: £493.8m 2025/26 capital programme funding by department

- 26. Figure 3 outlines planned funding sources for 2025/26. The Council is active in bidding for new external grants and utilising unspent capital grant and s106 contributions held in reserves. This action has enabled new fully grant funded initiatives to be included in the capital programme, including the expansion of Formont Day Centre and 3-year programme of Independent Living measures for elderly residents. Additionally, where possible, capital grant has been used instead of borrowing to fund planned spend – for example, the use of £1.0m new DfT capital grant to fund highways & street scene works that would otherwise be funded from borrowing.
- 27. The use of £15.3m capital receipts to finance capital expenditure is limited to £15.0m within the HRA and £0.3m specific ringfenced receipts from the disposal of school caretakers’ premises and Sloeman’s Farm Natural Burial Ground soil importation income.
- 28. No other capital receipts are assumed as funding within the 2025/26 capital programme. Enfield Council is seeking permission from the government for the council to use capital receipts for revenue spending up to £30m. Sustained underfunding together with the impact of the national homelessness crisis and rocketing demand for social care support has led to the Council significantly depleting its reserves in recent years to balance its budgets.
- 29. As a result, in common with many other Councils, Enfield has taken the prudent step of applying to the Ministry for Housing, Communities and Local Government for £30 million Exceptional Financial Support (EFS) to be made available if required. This support will allow the Council to use its capital receipts to fund this Exceptional Financial Support without additional borrowing or debt costs. This allows Enfield to use existing funds to underpin the Council’s continued financial sustainability.
- 30. IFRS16 requires Councils to recognise the total value of temporary accommodation leases entered into as an ‘asset’ with a corresponding ‘lease creditor’ within the balance sheet. This accounting treatment recognizes both the Council’s long-term right of use of

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the asset as well as its liability with respect to future lease payments. The lease creditor will be repaid through quarterly lease payments to the lessor.

	2025/26 proposed funding £m
Government grants	164.2
A106 contributions	0.4
CIL	1.9
Capital receipts (inc. £0.3m ringfenced general fund)	15.3
Right to buy receipts	5.5
External grants and contributions	187.3
HRA earmarked reserves	21.2
Temporary accommodation leases (other credit)	189.8
Borrowing	95.5
internal resources	306.5
total financing	493.8

Table 3: £493.8m 2025/26 capital programme planned financing

31. Delivery of the £493.8m capital programme will require £95.5m of borrowing. Of this, £23.3m is general fund core services borrowing on assets that are expected to be operational by the end of the year (digital services, fleet replacement, highways & street scene, corporate property and programme contingency for growth and pipeline projects).
32. Where the Council finances capital expenditure by debt, it must set aside appropriate resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP) and the Council is required to approve a formal policy annually. This is presented to Council in conjunction with the Treasury Management Strategy.
33. The current policy was approved on 24 February 2024 and under this policy MRP takes effect from the first year after the borrowing funded asset is deemed to be available for intended use. This means that, under the current policy, MRP is applied only to specific completed phases of Meridian Water including the station, public realm and Meanwhile Use assets. For operational assets, MRP is calculated according to the estimated useful life of each borrowing funded asset and ranges from 5 years for digital services assets to 50 years for bridges.
34. The Council's MRP policy is currently under review by CIPFA, the results of which are included in the Treasury Management Strategy report.

A prioritised capital programme to deliver strategic objectives.

35. The 2025/26 capital programme is focused on delivering the Council's strategic ambitions and objectives as outlined in Table 5 below. Key outcomes anticipated from this spend are detailed in Appendix B4.

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Council Objective	24/25 Q3 forecast £m	25/26 budget £m	How the objective will be delivered
More and Better Homes	236.4	429.5	Meridian Water – delivery of strategic infrastructure works to enable developers to build more homes, Long-leases to increase temporary accommodation solutions (both within and outside Enfield), achievement of Decent Homes Standard by 2026 on council housing stock, Key HRA developments including Joyce & Snells.
Thriving Children and Young People	18.4	13.8	Ensure the safety and wellbeing of staff and children through investment in essential works and services to improve and decarbonise the schools' estate. Meet the demand for additional Special Education Needs (SEND) places through Oaktree School expansion and engagement with DfE on new SEND schools within the Borough. Completion of works at Craig Park Family Hub.
Strong, Healthy and Safe Communities	12.3	11.2	Provide and fit out a space to deliver a new Mental Health & Wellbeing Hub, expansion of Formont Day Centre, continued investment in independent living for elderly and disabled residents, direct investment in Edmonton Leisure Centre, playgrounds and outdoor gyms. Priority fleet vehicle replacement (14 cage tippers and 5 refuse trucks and 6 vehicle refurbishments), investment in digital fibre ducting and CCTV cameras.
An Economy that Works for Everyone	21.5	31.0	4km of carriageway & 1.5km of footway replacement surfacing and programme of structural repairs to bridges and culverts, Energetik tranche 3 works, Delivery of new and improved public spaces in Enfield Town, alongside better pedestrian, bus and cycling facilities, investment in digital infrastructure to ensure Council services are as accessible and effective as possible
Clean and Green Spaces	10.3	8.3	New cycle routes, active travel arrangements, flood alleviation measures and rewilding, including Enfield Chase Restoration and continuing work to increase capacity at Sloeman's Farm natural burial ground.
	298.9	493.8	

Table 5: Capital expenditure by Council Plan priority

The capital programme is weighted towards delivery of priority projects that have the most impact on Council objectives and/or help deliver savings or contain current and future revenue budget pressures. Delivery and implementation of each of these

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schemes is essential to achieving the Council's strategic objectives. These projects will therefore receive additional scrutiny during the year through project manager attendance at Capital Finance Review Panel (CFRP) meetings. Priority projects are listed in Table 6. At £339.4m they represent nearly 70% of the £493.8m 2025/26 capital programme.

priority project	planned outcomes	proposed 25/26 budget	indicative spend profile			
			Q1	Q2	Q3	Q4
		£m	£m	£m	£m	£m
Meridian Water	Strategic Infrastructure Works, Meridian One 5 HRA units and progress to planning for 123 non-HRA units, Meridian Two commercial units	106.9	26.7	26.7	26.7	26.7
Joyce & Snells	The Joyce and Snells project has successfully secured planning for 2028 homes. The procurement for the enabling and PCSA works contract has been procured, with the design and deliver contract to be awarded by the end of March.	13.4	2.4	4.4	2.3	4.3
Temporary accommodation - acquisitions	Acquisition of 37 homes to use for temporary accommodation	20.0	5.0	5.0	5.0	5.0
temporary accommodation – long leases	Increased temporary accommodation provision through long leases (10 year right of use)	189.8	189.8			
mental health and wellbeing centre	New mental health hub at Park Avenue	1.5			0.5	1.0
Portcullis Lodge	New DfE funded SEND school - the Council's contribution limited to abnormal spend	1.0		0.3	0.3	0.5
Addison House	New DfE funded SEND school - the Council's contribution limited to abnormal spend	0.5			0.1	0.4
Oaktree School	Oaktree School - additional 33 places and school condition works	3.0		0.5	1.0	1.5
Angel Edmonton - Levelling Up		2.3	0.3	0.2	0.6	1.2
Edmonton leisure centre	Essential works to maintain service and safeguard leisure centre income	1.0	0.5	0.5		
		339.4	224.7	37.6	36.5	40.6

Table 6: £339.4m priority projects proposed in 2025/26 capital programme.

£44.7m core services (£51.5m Q3 24/25 forecast)

36. Figure 7 illustrates planned core services spend in comparison with prior year forecast. There are marked differences in where spend is planned. For example, there is £8.7m less planned spend in the education and leisure, parks & culture programmes as 24/25 priority projects including Winchmore School, Swan Centre and Southgate and Southbury leisure centres complete in 2024/25. Adult social care budget has increased by £1.5m in comparison to prior year because of the inclusion of new projects to expand

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Formont Day Centre and independent living measures. Digital Services budget has increased because of the inclusion of new capital budgets for network replacement and libraries IT services.

37. In constructing core services budgets, Officers have also sought to ensure proposed budgets are credible and deliverable. This means, wherever possible, indicative estimates of potential spend are now held in the pipeline programme instead of the funded capital programme. These projects will be moved into the main capital programme only when there is greater certainty of project delivery and Cabinet has approved a financially viable business case.

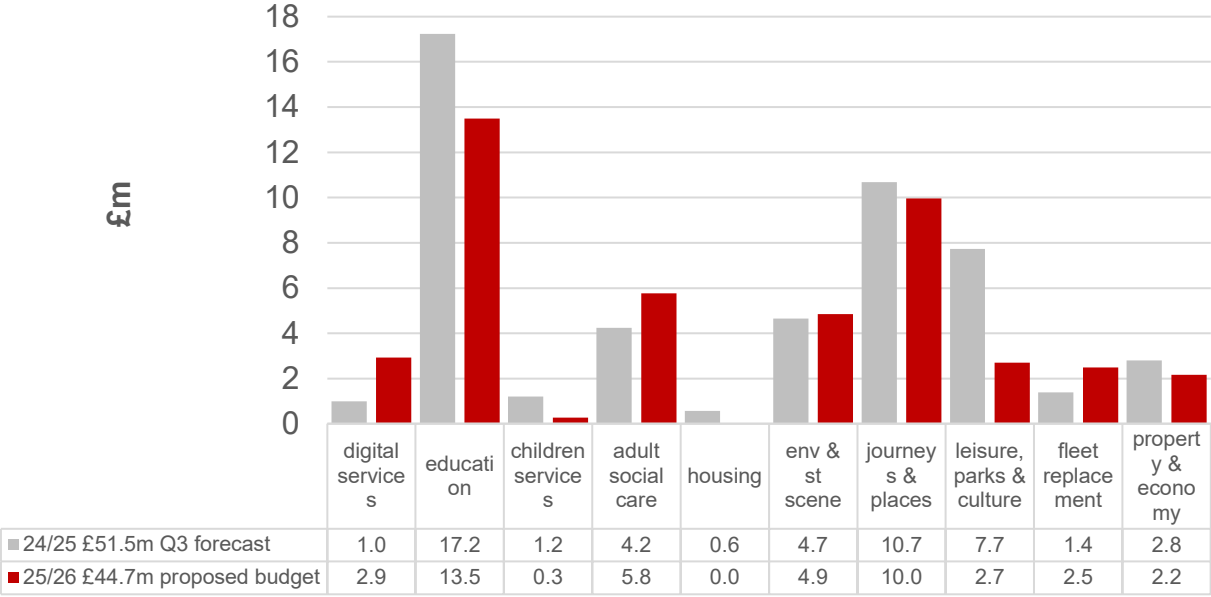


Figure 7: £44.7m proposed 2025/26 core services budget in comparison with Q3 24/25 forecast outturn.

£12.0m pipeline & contingency (£0.0m Q3 24/25 forecast)

38. The 2025/26 capital programme also includes new funded provision of £2.0m for new unplanned capital projects. This budget will be used to fund new borrowing funded capital projects that are approved during the year. It will not be used to fund growth in approved projects, which should be managed from existing project contingency within those budgets.

39. The 2025/26 capital programme also seeks Council approval for a new £10.0m borrowing funded provision for pipeline projects that may be approved by Cabinet in the year. This budget will also be strictly controlled and only utilized for borrowing funded projects that have been approved by Cabinet (including those already identified in the pipeline programme).

40. The annual revenue debt financing costs of full use of both provisions is estimated at around £0.3m.

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£183.8m temporary accommodation (£0.0m Q3 24/25 forecast)

41. The 2025/26 capital programme also includes £189.8m for the planned ten-year leases of 800 new temporary accommodation housing units. This is active delivery of the Council's strategy to alleviate temporary accommodation revenue pressures through the capital programme and will be subject to detailed Cabinet review and approval before implementation.
42. In addition to long leases, the capital programme also includes £20.0m for temporary accommodation property acquisitions within the HRA (a priority project) and potential further property acquisitions through Housing Gateway Ltd (this budget held in pipeline until 2026/27).

£106.9m Meridian Water (£88.3m Q3 24/25 forecast)

43. Meridian Water planned spend includes.

Strategic Infrastructure Works (SIW)

Subject to successful receipt of planning permission for x2 NMAs (Phase 2 & SIW), the following works will be in progress / delivered:

- Zone 1,5,7- (Utilities diversion, Road construction, Kerbs and paving installed, Road surfacing and markings applied, Tree pits installed, Signage displayed, Street lighting)
- IDNO Design and IDNO construction
- Temporary Works design and constructed across various zones.
- Manufacturing of precast concrete for the 4 bridges (parapets and beams)
- Bridge Steelwork
- Utilities installation or relocation.
- District heating construction
- Edmonton Marshes landscaping construction
- Edmonton Marshes Outfall Drainage
- Brooks Park completion

Meridian One (A)

- Completion of 5 further HRA homes

Meridian One (B)

- Progress of works to redesign and submit revised planning permission for 123 HRA homes.

Meridian Two

- Construction of commercial units

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Lending to wholly owned companies

£4.5m lending Housing Gateway Ltd (£13.1m Q3 24/25 forecast)

44. The HGL Operating Plan is being updated and will be presented to Cabinet in spring 2025. The proposed £4.5m capital budget is for Greenway House works (with a further £1.4m to complete these works in 2026/27 (total £5.9m)). These numbers will be refreshed if required upon approval of HGL's revised operating plan. A further £30.1m has been included within the pipeline programme, for the property acquisition programme in later years of the ten-year capital plan. The pipeline provision assumes 50 properties are to be purchased in 26/27 and 50 properties in 27/28 at an average cost of £300k per property (including SDLT).

£7.6m Energetik (£11.7m Q3 24/25 forecast)

45. Energetik proposes to utilise this funding in 2025/26, subject to Cabinet approval of the Business Plan and business case. The Business Plan must provide the Council with assurance that any further on-lending to Energetik is affordable, and that debt servicing costs, and principal repayments can continue to be met.

46. The capital programme assumes all loans to companies (Housing Gateway Ltd and Energetik) are repaid in full.

£128.2m Housing Revenue Account (HRA) (£134.5m Q3 24/25 forecast)

47. The table below sets out the overall capital expenditure planned for the next 10 years, and the funding associated with the £843.4m proposed budget:

	25/26	26/27	27/28	28/29	29/30	30/31 - 34/35	10 - year
	£m	£m	£m	£m	£m	£m	£m
Investment in existing stock	54.7	37.4	29.2	22.6	20.9	99.4	264.2
Fleet-vehicle replacement	2.5	0	0	0	0	0	2.5
Development	70.4	94.7	103.9	72.1	58.7	175.7	575.5
Estate regeneration	0.6	0.4	0.2	0	0	0	1.2
Capital budget	128.2	132.5	133.3	94.7	79.6	275.1	843.4
Grant	52.5	53.6	58.9	46	31.9	11.0	253.9
Capital receipts	20.5	15.9	37.3	22.8	37.4	65.5	199.4
Major repairs reserve	5	5.2	5.4	5.6	5.9	32.6	59.7
Earmarked reserve	16.2	16.8	11.7	20.3	4.4	145.5	214.9
Borrowing	34	41	20	0	0	20.5	115.5
Capital funding	128.2	132.5	133.3	94.7	79.6	275.1	843.4

48. The proposed investment in the Councils housing stock will improve decency in homes, achieve regulatory requirements, invest to support the retrofitting of homes reducing the small number of below EPC C homes, reducing tenants heating costs whilst addressing the Council's climate action plan and address building safety risks all of which contribute to reducing the need for responsive repairs.

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49. The development programme will deliver around 1,500 new home starts over the next 10 years, funded through a mix of GLA grant, Right to Buy (RTB) receipts, HRA borrowing and cross subsidy from sales.

Capital programme governance.

50. Council is asked to approve high-level capital budget envelopes of £365.6m for the general fund and £128.2m for the HRA (total £493.8m). The Council's financial regulations require 'approval to spend' to also be secured in advance of spend being incurred. Of the £365.4m general fund programme, £115.0m capital projects have approval to spend (Appendix B2). Budgets with approval to spend include £8.1m core services unspent budget carried forward from 2024/25 and Meridian Water £106.9m.

51. The remaining £250.6m general fund capital budget envelopes require approval to spend, ideally before 1 April 2025 (Appendix B3). In most cases this approval will be obtained via Cabinet or Portfolio holder reports which detail how the budget envelopes (at a 'Programme level') are intended to be spent. Where practical these reports will also link to key project milestones, to be used as 'gateway' points for the phased release of capital budget by responsible Executive Director. Reports will be required for:

- Schools' capital programme (strategy update that will reaffirm approvals already secured in the context of a 3-year plan and detailed reports for specific new projects)
- Temporary accommodation long-leases
- Environment & street scene
- Journeys & places (programme wide approval and specific reports for large projects (e.g., Levelling Up))
- CCTV
- Fleet replacement.
- Corporate condition programme
- Parks, playgrounds & verges
- Provision for pipeline and contingency.

52. Separate Cabinet reports are anticipated for approval of Housing Gateway Ltd and Energetik Business Plans.

53. A review of the Meridian Water financial model and phasing delivery plans is underway. Any changes to the projects approved budgets will happen once this review is completed.

54. Budget holders have responsibility for monitoring capital budgets and delivery of expected outcomes. To facilitate this, Finance will prepare monthly capital budget monitoring packs and meet regularly with all budget holders. Budget monitoring packs will detail spend and commitments to date for each capital project. Finance will also meet with budget holders regularly to ensure that emerging risks and issues are identified and resolved early.

55. Progress on delivery of the capital programme and budget for 2025/26 will be reported to Members as part of Finance capital budget monitoring cycle.

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56. Priority Projects have been identified and will be subject to additional scrutiny by the Capital Finance Review Panel (CFRP).
57. A capital programme risk register has been developed and is managed by the CFRP. Quarterly updates to EMT Budget are proposed during 2025/26.

Ten year capital plan – 2025/26 to 2034/35

58. The 2025/26 capital programme is the first year of a proposed £2.2bn ten-year capital plan. The plan seeks to ensure a realistic, affordable, and deliverable programme of investment is in place over the medium term that will help achieve the Council's wider strategic aims and ambitions. It also includes a more comprehensive assessment of the Council's strategic capital investment needs – including the need for lifecycle planning, a robust fleet and infrastructure plan and asset management plan.
59. Indicative budget estimates have been challenged and revised or removed where appropriate. The result is a more robust assessment of the Council's likely capital spend over the medium term. Full details of the ten-year plan are provided in Appendix B5 and summarized in Table 8 overleaf:

Appendix B: capital programme 2025/26 and ten year plan

	25/26	26/27	27/28	28/29	29/30	30/31 - 34/35	10 - year
	£m	£m	£m	£m	£m	£m	£m
Contingency for new projects	2.0	2.0	2.0	2.0	2.0	9.8	19.8
Funded provision for pipeline	10.0	10.0	10.0	10.0	10.0	50.0	100.0
Resources (digital services)	2.9	0.8	0.9	0.9	1.0	5.2	11.7
People	19.6	10.5	9.8	9.3	8.4	41.8	99.4
Environment & communities	22.3	27.6	18.4	14.8	12.6	56.4	152.1
core services (inc provisions)	56.8	50.9	41.1	37.0	34.0	163.2	383.0
Housing (temp accommodation)	189.8	237.3	237.3				664.4
Meridian Water	106.9	66.6	15.5	26.3	13.6	41.2	270.1
Energetik	7.6	12.3	5.3	0.3			25.5
Housing Gateway Ltd	4.5	1.4					5.9
General Fund	365.6	368.5	299.2	63.6	47.6	204.4	1,348.9
Housing Revenue Account	128.2	132.5	133.3	94.6	79.6	275.1	843.4
Ten year capital plan	493.8	501.0	432.5	158.2	127.2	479.5	2,192.3
Grants & third-party contributions	111.7	36.7	16.4	13.5	12.6	63.2	254.1
S106 & CIL	2.3	1.3					3.6
capital receipts (ringfenced)	0.3	1.2					1.5
Other credit arrangements	189.8	237.3	237.3				664.4
Borrowing	61.5	92.0	45.3	50.0	34.9	141.6	425.3
General fund financing	365.6	368.5	299.0	63.5	47.5	204.8	1,348.9
Grants & third-party contributions	52.5	53.6	59.2	46.0	31.9	10.8	254.0
Right to buy receipts	5.5	4.5	11.4	7.5	5.1	5.1	39.1
Capital receipts	15.0	11.4	25.8	15.3	32.4	60.4	160.3
HRA reserves	21.2	22.0	17.1	25.9	10.3	178.0	274.5
Borrowing	34.0	41.0	20.0			20.5	115.5
HRA financing	128.2	132.5	133.5	94.7	79.7	274.8	843.4
ten year capital financing	493.8	501.0	432.5	158.2	127.2	479.6	2,192.3
ten year borrowing (GF & HRA)	95.5	133.0	65.3	50.0	34.9	162.1	540.8

Table 8: proposed £2.2bn ten-year capital plan and financing by Department.

60. The ten-year plan has evolved significantly over the last year. The 2024/25 ten-year plan (approved February 2024) proposed £1.25bn spend in the 9 years between 2025/26 and 2033/34, funded £529.6m external grants and contributions, £241.9m HRA reserves and £479.9m borrowing. Subsequent changes include £71.1m of unspent 2024/25 capital budget proposed to be carried forward into 2025/26, growth of £843.9m in the first 9 years of the plan, programme reductions of £70.9m and inclusion of £96.7m for 2034/35 (new 'year 10' of plan). A breakdown is provided in Figure 9 overleaf:

Appendix B: capital programme 2025/26 and ten year plan

61.

	Year 1-9 (Feb 24)	Unspent c/fwd. from 24/25	Year 1-9 growth	Year 1-9 reduction	Year 10 growth	Revised ten year plan
	£m	£m	£m	£m	£m	£m
Contingency for unplanned growth			18.0		2.0	20.0
Pipeline provision			90.0		10.0	100.0
Digital services	16.8			(6.1)	1.0	11.7
Education services	48.5	7.5	1.1		5.4	62.5
Children & family services		0.1	0.2			0.3
Adult social care	20.7		12.7		3.0	36.4
Temporary accommodation			664.3			664.4
Environment & street scene	37.4	0.7			4.2	42.3
Journeys & places	48.4	3.3	3.2		4.3	59.2
Leisure, parks & culture	3.4	1.5	2.2	(1.7)		5.4
Fleet replacement	11.2	0.6	16.3		1.5	29.6
Property & economy	18.0	0.5		(4.3)	1.5	15.7
Core services	204.4	14.2	808.0	(12.1)	32.9	1,047.4
Meridian Water HIF	68.2	28.7		(1.3)		95.6
Meridian Water	127.7	28.8	10.4		7.6	174.5
Meridian Water	195.9	57.5	10.4	(1.3)	7.6	270.1
Housing Gateway Ltd	52.9			(47.0)		5.9
Emergetik			25.5			25.5
Companies	52.9	0.0	25.5	(47.0)	0.0	31.4
General Fund	453.2	71.7	843.9	(60.4)	40.5	1,348.9
Housing Revenue Account	798.3	(0.6)		(10.5)	56.2	843.4
ten year capital plan	1,251.5	71.1	843.9	(70.9)	96.7	2,192.3

Table 9: changes to original ten year capital plan (approved February 2024)

62. The proposed £843.9m growth in the first 9 years of the ten-year plan includes £664.4m for ten year temporary accommodation lease obligations, £90.0m provision for potential pipeline projects (£10.0m each year) and £18.0m contingency for new approved capital projects (£2.0m each year). There is also £10.4m growth in Meridian Water, consisting of up to £3.1m growth in planned development spend and £7.3m in capitalized interest and £16.3m growth in fleet replacement (pending development and approval of new long-term sustainable fleet replacement strategy) and £25.5m for Energetik (pending Cabinet approval of revised Business plan in spring 2025). There are £70.9m planned programme reductions. These will result in the removal of £57.4m borrowing from the ten-year capital plan, consisting of £6.1m for digital services, £4.3m for property & economy and £47.0m for Housing Gateway Ltd. Further grant and external contribution reductions of £1.7m are planned for flood alleviation (to remove indicative and uncertain estimates for future grant and s106 funding) and £1.3m to Housing Infrastructure Fund (HIF) grant funding for Meridian Water (to correct estimates to equal total grant secured).

63. Table 10 illustrates the impact of these and other changes on planned funding in the ten year plan. Members will note the £161.8m increase in General Fund borrowing. £30.7m of this is for approved borrowing unspent from 2024/25. This increase relates to the

Appendix B: capital programme 2025/26 and ten year plan

timing of approved borrowing used rather than an increase in borrowing requirement. Setting this aside, the ten-year capital plan general fund net borrowing increases by £131.0m – consisting of £120.0m new borrowing for capital programme contingency and provision for new projects, growth in fleet replacement and parks, playgrounds & verges capital budgets, £10.4m growth in Meridian Water borrowing for additional development spend and capitalized interest, and £25.5m reinstatement of Energetik budget moved to pipeline programme last year. This growth is partly offset by planned removal of £47.0m borrowing from Housing Gateway Ltd, £6.1m digital services, £1.0m environment & street scene and £4.1m property & economy.

64. Planned funding of the HRA ten year capital plan has also altered significantly since February 2024. Nearly £100.0m of new grant funding is planned to be used, reducing the HRA borrowing requirement by a similar amount. This is because the HRA has

	Year 1-9 (Feb 24)	Unspent c/fwd. from 24/25	Year 1-9 growth	Year 1-9 reduction	Year 10 growth	Revised ten year plan
	£m	£m	£m	£m	£m	£m
capital grants	181.9	39.4	21.3	(1.3)	12.7	254.0
S106	4.1		(3.7)			0.4
CIL	2.5	1.3	(0.6)			3.2
Capital receipts	1.1	0.3	0.1			1.5
External grants & contributions	189.6	41.0	17.1	(1.3)	12.7	259.1
Other credit arrangements			664.3			664.3
core services	83.1	1.9	17.3	(11.1)	8.2	99.4
contingency and new projects			1.4	106.8	12.0	120.2
Meridian Water	127.7	28.8	10.4		7.6	174.5
Energetik			25.5			25.5
Housing Gateway Ltd	52.9			(47.0)		5.9
GF Borrowing £161.8m increase (£131.1m excluding borrowing unspent from 24/25)	263.7	30.7	54.6	48.7	27.8	425.5
Internal resources	263.7	30.7	718.9	48.7	27.8	1,089.8
ten year general fund capital funding	453.3	71.7	736.0	47.4	40.5	1,348.9
	£m	£m	£m	£m	£m	£m
capital grants	154.1		99.8			253.9
Capital receipts (including RTB)	185.7		8.1		5.7	199.5
External grants & contributions	339.9	0.0	107.9	0.0	5.7	453.4
Earmarked reserves (HRA)	241.9	(0.6)		(17.3)	50.5	274.5
HRA Borrowing £101.0m decrease and corresponding increase in grants	216.5			(101.0)		115.5
Internal resources	458.4	(0.6)	0.0	(118.3)	50.5	390.0
ten year HRA capital funding	798.2	(0.6)	107.9	(118.3)	56.2	843.4
ten year capital funding	1,251.5	71.1	843.9	(70.9)	96.7	2,192.3

Appendix B: capital programme 2025/26 and ten year plan

secured £90.0m new grant through the Affordable Homes Programme and £50.0m grant from Land Fund to fund leaseholder buybacks.

Figure 10: changes to original ten year capital funding (approved February 2024)

Affordability of the ten year plan (£541.4m proposed borrowing)

65. The proposed ten year plan assumes the use of £541.4m borrowing – consisting of £174.6m Meridian Water, £5.9m Housing Gateway Ltd, £25.5m Energetik, £115.5m Housing Revenue Account and £219.9m general fund core services.
66. The Council repays borrowing via Minimum Revenue Provision, in line with its MRP policy. Further detail is provided in the Treasury Management Strategy report separately on the agenda.
67. No borrowing is currently proposed for education, adult social care, public health, journeys & places, and flood alleviation. Capital spend in these areas is planned to be fully funded from external grants and contributions (Figure 11).

	25/26	26/27	27/28	28/29	29/30	30/31 - 34/35	10 - year £m
	£m	£m	£m	£m	£m	£m	£m
Pipeline & contingency	12.0	12.0	12.0	12.0	12.0	60.0	120.0
Digital services	2.9	0.8	0.9	0.9	1.0	5.2	11.7
Children & family services	0.1						0.1
Environment & street scene	3.2	4.2	4.2	4.2	4.2	20.8	40.8
Leisure, parks & culture	1.4	0.4	0.4	0.4	0.4		3.0
Fleet replacement	1.6	7.6	5.7	4.5	2.3	6.9	28.6
Property & economy	2.2	1.5	1.5	1.5	1.5	7.5	15.7
core services	23.4	26.5	24.7	23.5	21.4	100.4	219.9
Meridian Water	26.1	51.9	15.5	26.3	13.6	41.2	174.6
Energetik	7.6	12.3	5.3	0.3			25.5
Housing Gateway Ltd	4.5	1.4					5.9
General Fund	61.6	92.1	45.5	50.1	35.0	141.6	425.9
Housing Revenue Account	34.0	41.0	20.0	0.0	0.0	20.5	115.5
ten year capital plan	95.6	133.1	65.5	50.1	35.0	162.1	541.4

Figure 11: £541.4m proposed borrowing in the ten year plan.

68. Figure 12 illustrates the estimated cost of the £541.4m borrowing on the council's annual debt financing costs (MRP and interest on borrowing) in comparison with approved target of between 10% and 12% of net revenue budget (as approved in capital strategy 2024/25 to 2033/34, Council February 2024). It also shows how estimated debt financing costs would reduce were the Council not to use the £120.0m borrowing funded provision for pipeline and contingency.

Appendix B: capital programme 2025/26 and ten year plan



Figure 12: estimated revenue debt financing costs over the ten year plan

69. General Fund revenue debt financing costs for the first 5 years of the ten year plan are detailed in Figure 13. The breakdown shows the annual MRP costs (over the next 5 years) of £541.4m borrowing proposed in the ten year plan - £1.2m in 2026/27 increasing to £4.9m by 2029/30.

70. With respect to Meridian Water and in line with the Council's MRP policy, around £0.8m annual MRP is made for residual historic borrowing on phases that are now operational (Station, public realm and Meanwhile assets). Further statutory MRP of around £0.6m is made for Meridian Water in respect of residual historic land acquisition and remediation costs on Meridian One that are not expected to be recovered from either future capital receipts or external contributions.

	25/26	26/27	27/28	28/29	29/30
	£m	£m	£m	£m	£m
core services: historic borrowing previous years	17.6	17.2	16.4	14.1	14.0
core services: borrowing in ten year plan		1.2	2.5	3.8	4.9
HGL share capital funded from borrowing	0.2	0.2	0.3	0.3	0.3
MW: historic borrowing on operational assets	0.8	0.8	0.8	0.8	0.9
MW: provision for residual land and remediation	0.6	0.6	0.6	0.6	0.6
Minimum revenue provision (MRP)	19.2	20.0	20.6	19.6	20.7
Transfer to Energetik reserve	0.3	0.2			
Interest and bank charges on borrowing	11.9	15.4	18.8	19.1	18.1
Estimated general fund debt financing costs	31.4	35.6	39.4	38.7	38.8

Figure 13: breakdown of estimated general fund revenue debt financing costs 25/26 to 29/30.

Appendix B: capital programme 2025/26 and ten year plan

71. Figure 13 also demonstrates that reductions in debt financing costs from the repayment of historic debt each year are broadly replaced by debt financing of new planned borrowing in the ten year plan.
72. £120.0m of borrowing in the proposed ten year plan relates to provision for capital programme growth and new pipeline projects that could come forward for approval. There is no certainty that this provision will be required in full – especially if new grants or external contributions are secured to fund proposed pipeline works.

Conclusion

73. The proposed £2.2bn ten year capital plan has been reviewed by EMT Budget to ensure that it is realistic, deliverable, affordable and is aligned with Council priorities. The ten year capital plan is further supported by the Council's ten year pipeline, of which £10m per annum has been assumed within financing cost estimates. Considered together, the plan demonstrates how the Council intends to deliver its Capital Strategy 2025/26 to 2034/35.
74. The ten year capital plan includes £0.66bn provision for long-leases for the provision of temporary accommodation solutions, which are subject to detailed Cabinet review.
75. Council is asked to approve the 2025/26 capital programme budget of £493.8m, consisting of £365.6m for the general fund and £128.2m for the HRA. The 2025/26 capital programme is the first year of the proposed ten year capital plan.

Date of report: 23 January 2025

Appendices

- Appendix B1: proposed 2025/26 capital programme budget and funding
- Appendix B2: proposed 2025/26 capital budgets with approval to spend
- Appendix B3: proposed 2025/26 capital budget envelopes (require approval to spend)
- Appendix B4: key outcomes expected from 2025/26 capital programme
- Appendix B5: proposed 2025/26 ten year plan (2025/26 to 2034/35)
- Appendix B6: proposed 2025/26 ten year pipeline

Appendix B: capital programme 2025/26 and ten year plan

Appendix B1: 2025/26 capital programme budget and funding

	24/25 Q3 forecast	proposed 25/26 budget	grants	s106	CIL	capital receipts	RTB	HRA reserves	Other credit	borrowing	proposed 25/26 funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
digital services	1.0	2.9								2.9	2.9
Corporate	0.0	12.0								12.0	12.0
Resources (inc contingency)	1.0	14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.9	14.9
Education	17.2	13.5	13.3			0.2					13.5
children & family services	1.2	0.3		0.2						0.1	0.3
adult social care	4.2	5.8	5.8								5.8
People	22.6	19.6	19.1	0.2	0.0	0.2	0.0	0.0	0.0	0.1	19.6
temporary accommodation	0.6	189.8							189.8		189.8
Housing	0.6	189.8							189.8		189.8
environment & street scene	4.7	4.9	1.7							3.2	4.9
journeys & places	10.7	10.0	8.1		1.8						10.0
leisure, parks & culture	7.7	2.7	0.9	0.2	0.1	0.1				1.4	2.7
fleet replacement	1.4	2.5	0.9							1.6	2.5
property & economy	2.8	2.2								2.2	2.2
environment & communities	27.3	22.3	11.6	0.2	1.9	0.1	0.0	0.0	0.0	8.4	22.3
Meridian Water	88.3	106.9	80.8							26.1	106.9
Meridian Water	88.3	106.9	80.8	0.0	0.0	0.0	0.0	0.0	0.0	26.1	106.9
Energetik	11.7	7.6								7.6	7.6
Housing Gateway Ltd	13.1	4.5								4.5	4.5
Companies	24.8	12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.1	12.1
General Fund	164.6	365.6	111.5	0.4	1.9	0.3	0.0	0.0	189.8	61.6	365.6
Housing Revenue Account	134.5	128.2	52.5			15.0	5.5	21.2		34.0	128.2
Housing Revenue Account	134.5	128.2	52.5	0.0	0.0	15.0	5.5	21.2	0.0	34.0	128.2
total programme	299.1	493.8	164.0	0.4	1.9	15.3	5.5	21.2	189.8	95.6	493.8

Appendix B: capital programme 2025/26 and ten year plan

Appendix B2: 2025/26 General Fund capital programme budgets with approval to spend (i.e. have already obtained detailed Cabinet approval)

	proposed 25/26 budget	grants	s106	CIL	capital receipts	RTB	HRA reserves	Other credit	borrowing	proposed 25/26 funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
digital services										
corporate										
Resources										
education (3-year strategy to be approved)										
children & family services	0.1								0.1	0.1
adult social care	1.5	1.5								1.5
People	1.6	1.5	0.0	0.0	0.7	0.0	0.0	0.0	0.1	1.6
temporary accommodation										0.0
Housing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
environment & street scene	0.7	0.7								0.7
journeys & places	3.6	2.3		1.3						3.6
leisure, parks & culture	1.5	0.4			0.1				1.0	1.5
fleet replacement	0.6								0.6	0.6
property & economy	0.2								0.2	0.2
Environment & communities	6.6	3.4	0.0	1.3	0.1	0.0	0.0	0.0	1.8	6.6
Meridian Water	106.9	80.8							26.1	106.9
Meridian Water	106.9	80.8	0.0	0.0	0.0	0.0	0.0	0.0	26.1	106.9
Energetik										
Housing Gateway Ltd										
Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	115.1	85.7	0.0	1.3	0.1	0.0	0.0	0.0	28.0	115.1

Appendix B: capital programme 2025/26 and ten year plan

Appendix B3: 2025/26 General Fund capital programme budget envelopes (require further approval to spend)

		proposed 25/26 budget	grants	s106	CIL	capital receipts	RTB	HRA reserves	Other credit	borrowing	proposed 25/26 funding
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
digital services		2.9								2.9	2.9
Corporate		12.0								12.0	12.0
Resources		14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.9	14.9
Education (3-year programme to be approved)		13.5	13.3			0.2					13.5
children & family services		0.2		0.2							0.2
adult social care		4.3	4.3								4.3
People		18.0	17.6	0.2	0.0	0.2	0.0	0.0	0.0	0.0	18.0
temporary accommodation		189.8						189.8			189.8
Housing		189.8	0.0	0.0	0.0	0.0	0.0	0.0	189.8	0.0	189.8
environment & street scene		4.2	1.0							3.2	4.2
journeys & places		6.4	5.9		0.6						6.5
leisure, parks & culture		1.2	0.5	0.2	0.1					0.4	1.2
fleet replacement		1.9	0.9							1.0	1.9
property & economy		2.0								2.0	2.0
Environment & communities		15.7	8.3	0.2	0.7	0.0	0.0	0.0	0.0	6.6	15.8
Energetik		7.6								7.6	7.6
Housing Gateway Ltd		4.5								4.5	4.5
Companies		12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.1	12.1
General Fund		250.5	25.9	0.4	0.7	0.2	0.0	0.0	189.8	33.6	250.6

Appendix B: capital programme 2025/26 and ten year plan

Appendix B4: key outcomes expected from proposed 2025/26 capital programme

Resources

Digital Services: £2.9m proposed 25/26 budget (£1.0m Q3 24/25 forecast)

The Council has around 3,500 laptops and 2,100 smartphones, all of which will need to be replaced as they reach end of life. £1.4m capital budget is proposed in 2025/26 for the replacement of 700 laptops and 420 smartphones. This is the first year of a rolling 5-year programme of ICT hardware replacement. A further £1.4m budget is proposed for network replacement and libraries improvement programme.

Corporate: £12.0m proposed 25/26 budget (£0.0m Q3 24/25 forecast)

A change this year is the inclusion of £2.0m borrowing funded contingency for small new projects and unforeseen growth. A separate £10.0m borrowing funded provision is also included within the capital programme. This will be used to fund pipeline projects (that rely on borrowing) as they are approved during the year. Appendix B4 details all pipeline projects with planned funding. £10.0m is assumed to be prudent as not every project will be approved in 2025/26. The benefit to the Council of including £12.0m provision for future capital programme growth within the main capital programme is that it ensures necessary approvals are secured efficiently in advance of spend occurring and that the annual cost of borrowing is budgeted for.

People

Education: £13.5m proposed 25/26 budget (£17.2m Q3 24/25 forecast)

A £13.5m schools' capital programme is proposed, funded from £13.2m DfE education capital grant and £0.3m capital receipts from the disposal of caretakers' lodges. The programme consists of £5.4m SEND programme, £4.7m condition programme, £3.2m decarbonisation programme and £0.3m on planned works to facilitate caretakers' lodges disposal (funded from earmarked capital receipts from caretakers' lodges). Key outcomes expected include first phase of Oaktree School works to create 35 new school places and completion of Enfield County Upper School roofing, windows and ventilation works. The programme also includes £1.5m DfE grant provision for the Council's potential liability for 'abnormal spend' arising from DfE funded investment in new SEND schools in Enfield. The schools pipeline programme includes a further £1.1m for Alternative Resource Provision (ARP) within schools. This project is held in pipeline pending the Government's review of funding for ARP within schools.

Children & Families: £0.3m proposed 25/26 budget (£1.2m Q3 24/25 forecast)

The proposed programme includes the carry forward of £0.1m borrowing funded budget from 2024/25 to complete works on two foster carer private home extensions and £0.2m s106 contribution / CIL funded works to complete Stay and Play facilities at Craig Park Family Hub. The pipeline programme includes a further £1.1m for therapeutic foster care & respite and £0.3m to restart the foster carer home extension programme. Both potential projects will require Cabinet approval of robust business cases. The pipeline programme in later years of the ten-year plan includes more strategic projects that target investment towards vulnerable young people, including new centre for short breaks for disabled children, parent & child assessment residential unit, supported accommodation for 18+ care leavers and a new children's home (potentially part funded from DfE capital grant).

Adult Social Care: £5.8m proposed 25/26 budget (£4.2m Q3 24/25 forecast)

£1.5m spend is planned on construction of new mental health and wellbeing hub (with a further £0.7m planned in 2026/27). This project is dependent on the completion of Levelling Up grant funded Community House works to relocate services (£1.7m of the total £11.9m Levelling Up grant funding received is

Appendix B: capital programme 2025/26 and ten year plan

allocated to this project). Community House works are reported within Levelling Up Angel Edmonton (Journeys & Places). Additionally, the corporate property programme includes £60k borrowing funded contribution for lift replacement work at the new mental health and wellbeing hub. New projects planned for 2025/26 include refurbishment and expansion of Formont Day Centre and extension of the Independent Living Programme for elderly residents, in conjunction with Housing Gateway Ltd. Both of these new projects will be funded from historic unspent capital grant.

Environment & Communities

Environment & Street Scene: £4.9m proposed 25/26 budget (£4.7m Q3 24/25 forecast)

The proposed programme consists of £4.0m budget for the Council's annual rolling programme of carriageways, footways and bridges improvements (funded £1.0m DFT grant and £3.0m borrowing). A further £0.4m for carriageways is held in pipeline for additional works subject to confirmation of capital grant. £0.15m of borrowing is proposed for the annual rolling programme for CCTV camera replacement.

Journeys & Places: £10.0m proposed 25/26 budget (£10.7m Q3 24/25 forecast)

This programme is fully funded from external grants and contributions and includes £3.8m on phase 2 of Liveable Neighbourhoods Enfield Town (including Market Square) and £2.2m Levelling Up Fund investment (Claremont Street, Fore Street, Boundary Court food hub, Boundary Hall relocation, Florence Hayes recreation ground, Leeds Street market, Community House refurbishment and Angel Community Centre). External funding associated with these programmes is secured. A further £3.85m indicative TfL grant funded budget is included within the 2025/26 programme to improve transport networks in line with the Mayor's Transport Strategy (Safer Neighbourhoods & Corridors, Cycle Network Development, Cycle Parking). TfL is expected to confirm actual grant allocations early in the new year, at which point the capital programme will be updated. £1.9m project for the installation of safety cameras in Bowes Green and Edmonton Green is held in pipeline, pending completion of final business case. If approved this project would be funded from borrowing, to be repaid from anticipated camera enforcement income.

Leisure, Parks & Culture: £2.7m proposed 25/26 budget (£7.7m Q3 24/25 forecast)

The proposed 25/26 budget includes £1.0m planned investment in Edmonton leisure centre (in addition to the £1.5m in 2024/25 Q3 forecast), £0.4m Heritage Lotter Fund (HLF) grant funded Broomfield House Memorialisation and £0.2m s106 or CIL funded works to Pymmes Park and Jubilee Park outdoor gyms. £0.4m budget is also included to fund a new rolling programme of asset refurbishment / major repairs of playground equipment, parks footpaths and fencing and Broomfield Park boating pond. A £0.2m rolling annual programme of highways trees replacement is currently held in pipeline subject to confirmation of deliverability, need and funding. The Council's flood alleviation programme (funded entirely from external grants and contributions) includes £0.6m for SBNFM woodland creation. Further projects (potentially £2.5m in value) are anticipated in 2025/26 – including river restoration and wetland programme. These are held in pipeline until grant funding estimates are confirmed. These projects will be added to the 2025/26 capital programme when works are scoped, and funding is confirmed. £0.1m works are planned at Sloeman's Farm Natural Burial ground (further £1.2m planned in 2026/27 for new building for memorial services) to be funded from income from soil importation.

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Fleet replacement: £2.5m proposed 25/26 budget (£1.4m Q3 24/25 forecast)

The Council plans to develop a fully costed and strategic needs-based fleet replacement programme during 2025/26. In developing this programme, the Council will consider delivery of its strategic carbon emission targets and the infrastructure required to meet them. In the interim, £1.5m 2025/26 capital budget is proposed for the replacement of 3 refuse trucks and 21 cage tippers. These are vehicles that have reached end of life. Looking ahead indicative estimates of fleet replacement costs have been included in the ten year plan, until the new fleet replacement programme is approved. The 2025/26 budget also includes £0.9m grant funded spend on the government's New Burden food waste reduction programme.

Property & Economy: £2.2m proposed 25/26 budget (£2.8m Q3 24/25 forecast)

Proposed budget of £2.0m for the corporate condition programme – major refurbishment projects including £0.4m for civic centre lifts, £0.4m for Community House windows replacement (completion of works started in 24/25 with total project budget of £0.7m), £0.2m Ordnance Road library boiler, and £0.3m for the completion of other works including Cooling Tower upgrade, Bridgewood House heating and cooling, Craig Park Family Hub roof replacement and Edmonton Library air conditioning. The proposed budget also includes £0.3m provision for a capital programme of major repair and refurbishment programme and £0.1m for smaller capital works between £10k and £50k, both of which were funded from revenue in previous years. Given the nature of the programme, some capital budget for major works may be committed in 2025/26 but not spent until 2026/27. Proposed budget also includes £0.2m for Electric Quarter. Phase 2 of the programme to relocate the Drug & Alcohol service is planned to be completed in 2025/26, to create permanent provision for the service within the EBC. The Council is exploring options to facilitate this and £1.5m is held in pipeline pending Cabinet approval of business case.

Meridian Water

Meridian Water: £106.9m proposed 25/26 budget (£88.3m Q3 24/25 forecast)

Strategic Infrastructure Works (SIW) - Subject to successful receipt of planning permission for x2 NMAs (Phase 2 & SIW), the following works will be in progress / delivered:

- Zone 1,5,7- (Utilities diversion, Road construction, Kerbs and paving installed, Road surfacing and markings applied, Tree pits installed, Signage displayed, Street lighting)
- IDNO Design and IDNO construction
- Temporary Works design and constructed across various zones
- Manufacturing of precast concrete for the 4 bridges (parapets and beams)
- Bridge Steelwork
- Utilities install or relocation
- District heating construction
- Edmonton Marshes landscaping construction
- Edmonton Marshes Outfall Drainage
- Brooks Park completion

Meridian One (A)

- Completion of 5 further HRA homes

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Meridian One (B)

- Progress of works to redesign and submit revised planning permission for 123 HRA homes.

Meridian Two

- Construction of commercial units

Companies

Housing Gateway Limited: £4.5m proposed 25/26 budget (£13.1m Q3 24/25 forecast)

The HGL business plan is being updated. The proposed £4.5m capital budget is for Greenway House works (with a further £1.4m to complete these works in 2026/27 (total £5.9m)). These numbers will be refreshed if required upon approval of revised business plan. A further £30.1m has been included within the pipeline programme, for potential restarting of the property acquisition programme in later years of the ten year capital plan. The pipeline provision assumes 50 properties in 26/27 and 50 properties in 27/28 at an average cost of £300k per property (including SDLT).

Energetik: £7.6m proposed 25/26 budget (£11.7m Q3 24/25 forecast)

Subject to Cabinet approval of revised business plan and business case, capital budget is planned to be used for Tranche 3 works expansion to the west of the Borough.

Housing Revenue Account

Housing Revenue Account: £128.2m proposed 25/26 budget (£134.5m Q3 24/25 forecast)

See separate HRA Business Plan report

Appendix B: capital programme 2025/26 and ten year plan

Appendix B5: Draft 2025/26 capital programme and ten year plan

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	10 year
	Q3 forecast	budget	plan	plan	plan	plan	plan	plan	plan	plan	plan	plan
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
education	17.2	13.5	5.8	5.8	5.4	5.4	5.4	5.4	5.4	5.4	5.4	61.6
children & family services	1.2	0.3										0.3
adult social care	4.2	5.8	4.7	4.0	3.9	3.0	3.0	3.0	3.0	3.0	3.0	36.4
People	22.6	19.6	10.5	9.8	9.3	8.4	8.4	8.4	8.4	8.4	7.1	98.3
digital services	1.0	2.9	0.8	0.9	0.9	1.0	1.1	1.1	1.0	1.0	1.0	11.7
corporate	0.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	120.0
Resources	1.0	14.9	12.8	12.9	12.9	13.0	13.1	13.1	13.0	13.0	13.0	131.7
environment & street scene	4.7	4.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	42.7
journeys & places	10.7	10.0	12.8	6.7	4.3	4.3	4.3	4.3	4.3	4.3	4.3	59.6
leisure, parks & culture	7.7	2.7	1.6	0.4	0.4	0.4						5.5
public realm	1.4	2.5	7.6	5.7	4.5	2.3	0.9	1.5	1.5	1.5	1.5	29.5
property & economy	2.8	2.2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	15.7
Environment & Communities	27.3	22.3	27.7	18.5	14.9	12.7	10.9	11.5	11.5	11.5	11.5	153.0
temporary accommodation	0.6	189.8	237.3	237.3								664.4
Housing	0.6	189.8	237.3	237.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	664.4
Meridian Water	88.3	106.9	66.6	15.5	26.3	13.6	12.0	7.0	7.6	7.0	7.6	270.1
Meridian Water	88.3	106.9	66.6	15.5	26.3	13.6	12.0	7.0	7.6	7.0	7.6	270.1
Housing Gateway Ltd	13.1	4.5	1.4									5.9
Energetik	11.7	7.6	12.3	5.3	0.3							25.5
Companies	24.8	12.1	13.7	5.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	31.4
General Fund	164.6	365.6	368.6	299.3	63.7	47.7	44.4	40.0	40.5	39.9	39.2	1,348.9

Appendix B: capital programme 2025/26 and ten year plan

Appendix B5: Draft 2025/26 capital programme and ten year plan

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	10 year
	Q3 forecast	budget	plan	plan	plan	plan	plan	plan	plan	plan	plan	plan
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
housing revenue account	134.5	128.2	132.5	133.3	94.6	79.6	68.2	45.9	51.0	53.8	56.3	843.4
Housing Revenue Account	134.5	128.2	132.5	133.3	94.6	79.6	68.2	45.9	51.0	53.8	56.3	843.4
capital programme	299.1	493.8	501.1	432.6	158.3	127.3	112.6	85.9	91.5	93.7	95.5	2,192.3
grants	139.8	164.2	90.4	75.7	59.6	44.6	12.7	12.7	23.9	12.8	11.7	508.3
s106	2.8	0.4										0.4
CIL	1.7	1.9	1.3									3.2
capital receipts	13.9	15.3	12.6	25.8	15.3	32.4	5.3	5.9	30.0	13.6	5.6	161.8
RTB	16.6	5.5	4.5	11.4	7.5	5.1	5.1					39.1
HRA earmarked reserves	27.5	21.2	22.0	17.1	25.9	10.3	46.4	40.0	9.9	31.2	50.5	274.5
General fund earmarked reserves / other credit	0.3	189.8	237.3	237.3								664.4
borrowing	96.5	95.5	133.0	65.3	50.0	34.9	43.1	27.3	27.7	36.1	27.7	540.6
capital funding	299.1	493.8	501.1	432.6	158.3	127.3	112.6	85.9	91.5	93.7	95.5	2,192.3

Appendix B: capital programme 2025/26 and ten year plan

Appendix B6: proposed pipeline programme

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	ten year total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Carriageways & bridges	0.4										0.4
Flood alleviation	2.6	3.4	1.9	1.9	1.4	0.7	0.5	0.5	0.5	0.5	13.8
core services pipeline funded external grants and contributions	4.1	3.4	1.9	1.9	1.4	0.7	0.5	0.5	0.5	0.5	15.3
pipeline programme	20.3	22.6	19.3	23.9	2.4	1.6	1.5	1.5	1.5	2.2	96.5