

**MEETING TITLE AND DATE:**Cabinet 28<sup>th</sup> January 2020**REPORT OF:**Executive Director of  
Resources**Contact:** Matt Bowmer**Tel:** 0208 379 5580**E-mail:** [Matt.Bowmer@enfield.gov.uk](mailto:Matt.Bowmer@enfield.gov.uk)**Agenda – Part: 1****Item: 4****Subject:** Capital Programme Monitor  
Period 8 (November) 2019**Wards:** All**Key Decision No:** 5078**Cabinet Member consulted:****Cllr Maguire****1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to inform Members of the position up to the end of November 2019 regarding the Council's Capital Programme (2019/20 to 2023/24) considering the latest information for all capital schemes including the funding arrangements.
- 1.2 The report shows that the overall expenditure for the approved programme is projected to be £109m for the General Fund, £97m for HRA and a forecast loan drawdown of £8.5m for Enfield Companies for 2019/20.
- 1.3 The report sets out the estimated capital spending plans for 2019/20 to 2023/24 including the proposed arrangements for funding and confirms that the revenue financing costs for the approved 2019/20 to 2022/24 programme are provided for within current budgets.

**2 RECOMMENDATIONS**

Cabinet recommend to Council that:

- 2.1 The additions to the Capital Programme as set out in Table 3, section 7.0 are approved.
- 2.2 Cabinet notes the following additions which will be presented to Council for approval as part of the 10-year Capital programme
- i. £7.128m growth in Education services grant allocation for the year due to recognition of Basic need funding from central government.
  - ii. £0.241m additional grant from the GLA and Environment Agency to support Flood Alleviation projects.
  - iii. £0.057m Gentleman's row redecoration works
  - iv. £0.210m additional vaulted chambers Southgate Cemetery
  - v. £0.450m Edmonton cemetery
  - vi. £352.329m HRA

- 2.3 Note the revised five-year approved programme totalling £1,321m as set out in Appendix A
- 2.4 Agrees the proposed reductions of £2.925m set out in Table 4, Section 8

### 3. BACKGROUND

- 3.1. The Council's Capital Programme is continually reviewed, and monitoring reports are submitted to Cabinet four times a year. The Council continually strives to maximise external grants and contributions to fund projects wherever possible and therefore minimise the need to borrow.
- 3.2. This is the final report on the Capital Strategy (2019/20), four-year General fund Capital Programme (2019/20 to 2022/23) and five-year HRA programme (2019/20 to 2023/24) as approved by Council on the 27th February 2019. This is reporting the forecast outturn position at the end of the November 2019.

### 4. 2019/20 CAPITAL PROGRAMME BUDGET

- 4.1. The full capital programme is detailed in Appendix A and is a five-year programme with the budgets shown inclusive of carry forwards from 2018/19.
- 4.2. The approved capital budget for the current financial year 2019/20 is summarised in Table 1 below and this provides the latest position reflecting updated project expenditure profiles as advised by programme managers.

**Table 1 Current Year Capital Programme 2019/20**

	Budget	Repro-filing	Growth	Reduc-tions	Forecast	Actuals	Spend
	£000	£000	£000	£000	£000	£000	%
Resources	9,429	(805)	0	0	8,624	2,182	25%
People	15,684	(9,401)	7,128	0	13,411	6,494	48%
Place	55,841	(9,828)	241	(2,925)	43,329	19,263	44%
Place - Meridian Water	30,200	14,254	0	0	44,453	12,710	29%
Chief Executive	0	0	29	0	29	0	0%
<b>General Fund exc. Companies</b>	<b>111,155</b>	<b>(5,781)</b>	<b>7,397</b>	<b>(2,925)</b>	<b>109,846</b>	<b>40,649</b>	<b>37%</b>
Energetik	3,915	(855)	0	0	3,060	1,170	38%
Housing Gateway Ltd	12,936	(7,436)	0	0	5,500	5,500	100%
<b>Total General Fund inc. Companies</b>	<b>128,005</b>	<b>(14,072)</b>	<b>7,397</b>	<b>(2,925)</b>	<b>118,406</b>	<b>47,319</b>	<b>40%</b>
Place - HRA	96,164	(6,781)	7,683	0	97,066	41,032	42%
<b>Total Capital Programme</b>	<b>224,169</b>	<b>(20,853)</b>	<b>15,080</b>	<b>(2,925)</b>	<b>215,472</b>	<b>88,351</b>	<b>41%</b>

## BUDGET REPROFILING

4.3. These are changes regarding the forecast timing of expenditure from the approved programme between financial years with no reported increase or decrease in budget requirement. Unless otherwise reported below these movements have minimal impact on the overall delivery of the project. Where service delivery may be impacted, this will be reported in the Capital Monitor reports to Cabinet.

**Table 2 Budget Reprofiling**

Table 2 summarises the budget reprofiling in month 8 (November 2020), with explanations below the table for the significant items

	20/19/20	2020/21	2021/22	2022/23	2023/24	Future Years	Funding Source
	£000	£000	£000	£000	£000	£000	
IT Investment	(451)	451	0	0	0	0	General Resources
Libraries	(354)	354	0	0	0	0	General Resources
<b>RESOURCES</b>	<b>(805)</b>	<b>805</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Schools' Future Programme	(9,057)	9,057	0	0	0	0	External Grant (ESFA)
Extra Care Housing: Reardon Court	(344)	344	0	0	0	0	General Resources
<b>PEOPLE</b>	<b>(9,401)</b>	<b>9,401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Corporate Property Investment Programme	(550)	550	0	0	0	0	General Resources
Flood Alleviation	(633)	633	0	0	0	0	External Grants (GLA, EA) & General Resources
Electric Quarter	(1,000)	1,000	0	0	0	0	General Resources
Meridian Water	14,254	(14,254)	0	0	0	0	External Grants (HIF) & General Resources
Montagu Industrial Estate	(7,650)	7,650	0	0	0	0	General Resources
Tennis Courts Works	5	(5)	0	0	0	0	General Resources
<b>PLACE</b>	<b>4,425</b>	<b>(4,425)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Major Works	(3,850)	1,680	10,562	(818)	24,633	(32,207)	Reserves (MRA) & General

							<i>Resources</i>
Minor Works	(1,000)	4,776	1,623	1,623	3,323	(10,346)	<i>Earmarked Reserves</i>
Fire Works	(3,450)	3,450	0	0	0	0	<i>General Resources</i>
Estate Regeneration	(4,324)	4,324	0	0	0	0	<i>External Grant (GLA), RTB Receipts &amp; General Resources</i>
Development Programme	5,842	(5,842)	0	0	0	0	<i>External Grant (GLA), RTB Receipts &amp; General Resources</i>
<b>HRA</b>	<b>(6,781)</b>	<b>8,388</b>	<b>12,185</b>	<b>805</b>	<b>27,956</b>	<b>(42,553)</b>	
Energetik	(855)	855	0	0	0	0	<i>General Resources</i>
Housing Gateway Ltd	(7,436)	7,436	0	0	0	0	<i>General Resources</i>
<b>COMPANIES</b>	<b>(8,291)</b>	<b>8,291</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL Budget Reprofiling</b>	<b>(20,853)</b>	<b>22,460</b>	<b>12,185</b>	<b>805</b>	<b>27,956</b>	<b>(42,553)</b>	

#### 4.4. IT Investment

4.4.1. There is £0.451m of spend reprofiled into 2020/21.

4.4.2. The customer platform replacement (CRM) project is now at tender stage and will be implemented by the autumn of 2020/21, followed by an ongoing development, resulting in the need for the budget to be re-profiled.

4.4.3. Transformation programmes (Children's & Payments) originally included in £32m ICT Capital Investment (KD4410) have been delayed due to resource challenges and changes to requirements (scope, benefits and objectives) and will therefore carry on into 2020/21. The Transformation Portfolio has also been increased by two new programmes (Build the Change and Customer Experience) since April 2017 and these will continue into 2020/22.

#### 4.5. Libraries

4.5.1. The customer access centre approach is in progress for implementation in 2020/21 onwards and therefore, funds will need to be re-profiled.

#### 4.6. Education

4.6.1. £1.4m was set-aside in the Quarter One monitor due to a legal dispute with the contractor for the Orchardside pupil referral unit. The contractor has voluntarily withdrawn this claim and therefore the budget is not required in 2019/20.

#### 4.7. Reardon Court

4.7.1. The demolition of the existing building has had to be delayed to 2020/21 due to the building being occupied by bats. Natural England have advised that the existing building can only be demolished, and the bats removed when planning permission has been given for the new development. The bat removal and demolition works are anticipated to commence around October 2020.

#### 4.8. Corporate Property Investment Programme (CPIP)

4.8.1. The bulk of the CPIP programme approved earlier this financial year will be spent on design and planning work and a start on site for the relocation of ILDS from St Andrews House to Enfield Highway and design and feasibility work for the Build the Change project. Physical works for the Build the Change project will be included in CPIP Funding approvals being presented to Cabinet in January 2020. Previously approved funding for these works has therefore been reprofiled to align with this.

#### 4.9. Flood Alleviation – Albany Park Wetlands

4.9.1. The programme has been delayed due to ongoing negotiations with the Environment Agency at both local and national levels to agree on the final project design and scope (business case) to maximise the benefits and therefore eligibility for funding. The project was also awaiting planning consent which was approved in November.

#### 4.10. Electric Quarter

4.10.1. Some of the acquisitions for this project were through a CPO and whilst ownership has transferred some final settlement on compensation is still being negotiated. Most of the transactions are expected to complete in 2020/21 and so the budget has been adjusted accordingly.

#### 4.11. Meridian Water

4.11.1. Cabinet approved a new capital budget (£286m) for this programme for the period up to 2021/22 in October 2019 (KD4469). This additional budget was reported in the Quarter Two Capital monitoring report, but the profiling was not. Therefore, £14m has now been profiled into financial year 2019/20 which includes funds for further land acquisitions, land remediation works, public realm works around the new train station, debt financing and professional fees.

#### 4.12. Montagu Industrial Estate

4.12.1. Several property purchases were expected to be made in the current financial year, but the purchasing process has been delayed pending a review of the business case to be presented to Cabinet in January 2020. Several acquisitions likely to require compulsory purchase orders and most of these are expected to go through in 2020/21 and 2021/22.

#### 4.13. HRA

- 4.13.1. Major works – A number of workstreams have been reviewed as part of the developing asset management strategy in particular where decisions need to be made about the future of the stock.
- 4.13.2. Fireworks – Ensuring the Council has the correct designs, products and competent supply chains – sometimes in the absence of governance guidance – has delayed the start on site of these projects.
- 4.13.3. Development programme – the GLA programme has been reprofiled to reflect the changes in the number of units being developed/purchased, this change has resulted in budget being brought forward from next year to ensure GLA grant targets are achieved. Paragraph 10.4. sets out the specific numbers and schemes.
- 4.13.4. Estate Regeneration – the leaseholder buybacks on the Alma project have been reprofiled this quarter. There are 30 leaseholder buybacks remaining with 8 expected to complete by March 2020.

#### 4.14. Companies

##### 4.14.1. Energetik

- 4.14.2. Unspent budget of £855k will be re-profiled to future years and has arisen from delaying Meridian Water Heat Network (MWHN) infrastructure works at the EcoPark to more align with the latest forecast Meridian Water development programme. Also, delaying the pipe connection between Alma and Electric Quarter to better align with the forecast of Alma and Electric development programmes.

##### 4.14.3. Housing Gateway Ltd (HGL)

- 4.14.4. Further to the inclusion and subsequent approval to disburse the £2.2m grant approved (KD3790) to HGL, there will be no additional loan requirements from the 2019/20 capital programme. Unspent 2019/20 budget will be re-profiled to future years to support HGL's continued expansion.

## 5. **2019/20 SCHEME OUTPUTS**

- 5.1. This section provides an overview of the key outputs from the 2019/20 capital programme by directorate. These outputs all contribute to the delivery of the Corporate Plan and objectives detailed in section 15.

### 5.2. **Resources**

#### 5.2.1. IT Investment & Libraries

- 5.2.2. Budgets for Transformation programmes and their constituent projects consist of a mixture of capital and revenue funding. The achievements related to capital expenditure only for 2019/20 for each programme are as follows:

- a. **Payments Programme:** significant upgrade to the corporate payment infrastructure to ensure the Council processes payments more efficiently, increase security and minimise fraud. New technology to automate customer telephony payments has been introduced.

- b. **Infrastructure Programme:** the programme is building an onsite datacentre to increase the council's self-reliance and flexibility in how it manages the performance of key business applications (such as Northgate Housing and Lagan). In addition, it has moved some key applications such as SAP, Skype for Business and IPO from the SunGard data centre to Microsoft Azure which is a more secure environment and will save the council circa £0.235m per year. Also, the programme procured a new mobile phone contract that will deliver savings of circa £78k per year. Total anticipated savings from this programme following delivery in 2020/21 will be in excess of £1m.
- c. **Adult Social Care Programme:** transformed the way Adult Social Care services are provided including the implementation of a new customer portal to enable clients to help themselves, and a new case management system which allows specialist teams to focus and spend more time with the service users.
- d. **Children's Programme:** delivered a range of IT improvements within the service to support streamlining of processes and improving partnership working. Introduced the Children's Autonomy Portal to transform the way professionals, caregivers and families access guidance, support, make referrals and request assessments for children and families in Enfield.
- e. **Customer Experience Programme:** replaced the Customer Contact Centre telephony system introducing new functionality to make it easier for customers to speak to the Council and to manage those interactions. Procurement is underway for a new Customer Relationship Management system (CRM) and ensure future Microsoft software updates to the IT platform can be easily accommodated. IT functionality required to support Charged Garden Waste service provision was also Implemented.
- f. **Build the Change:** rolled out over 3,000 new laptop and devices to Council staff with the latest software to support faster, more collaborative ways of working. Launched a new staff intranet with clean and simple design, search and navigation functionality and updated content.
- g. **Intranet upgrade:** the Council's intranet has been upgraded to replace the end of life product. This is easier to navigate and will continue to be further developed for services to improve communication and information across the council for staff.
- h. **Commercial Services Microsite:** the commercial microsite for schools is now operational, initial offer is the Music Service (January 2020) and Early Years is due to go live from March 2020.

### 5.3. **People**

#### 5.3.1. **Education**

#### 5.3.2. Completed schemes in 2019/20 include:

- i. Debohun School – Additional Classroom Space for 8 pupils

- ii. Minchenden School – New Upper Secondary Autistic Provision School for 100 pupils
- iii. Russet School – New Single classroom replacing existing temporary classroom
- iv. Springfield – New 1 Form Entry SEN Primary School (a West Lea campus) for 32 pupils
- v. St Mary School – Refurbishment to provide a West Lea School Primary SEN campus with 16 new pupil places

#### **5.4. Place**

##### 5.4.1. Environment & Operations

##### 5.4.2. Traffic & Transport

5.4.3. Transport for London (TfL) currently provides funding to London Boroughs to help deliver the Mayor’s Transport Strategy. TfL have provided Enfield with approximately £2m of Local Implementation Plan (LIP) funding in 2019/20 for capital schemes, mainly supporting the introduction of Quieter Neighbourhoods, additional cycle routes and other initiatives to encourage active and healthy travel.

5.4.4. The majority of the £6m Cycle Enfield mini Holland allocation from TfL is allocated to the A1010 North major project. Following full approvals over the summer, the contractor is now on site delivering this project and further significant delivery and spend is anticipated for quarter 4. This rate of work will be monitored; however, discussions have taken place with TfL over the potential re-profiling of some of this funding if required into 2020/21 for practical technical reasons relating to timings of road works and traffic disruption

##### 5.4.5. Highways:

5.4.6. Carriageway and footway renewal programmes, bridges and watercourses maintenance programmes and tree planting are all on target for completion this financial year. Highlights include approximately 10km of resurfaced carriageway and 7km of renewed footways.

##### 5.4.7. Waste & Recycling:

5.4.8. Waste Service changes and spend are being delivered in line with the project delivery plan with phase 1, the paid garden waste collection service and the new separate food waste collection service going live on 4 November 2019.

5.4.9. Capital purchases have included replacement wheeled bins to ensure smooth service integration and delivery and the purchase of the both kitchen caddies and the larger food waste caddies.

##### 5.4.10. Fleet Services:

5.4.11. The programme of spend for fleet vehicle replacements is being delivered in line with the expected spend profile for the year. Purchases included 9 new dedicated food waste trucks as part of the



waste service change program, and various items of plant and equipment that have been introduced to service the cemeteries grave digging and grounds maintenance equipment.

5.4.12. Meridian Water

5.4.13. This financial year has seen continued remediation of some of the site to enable development by the first appointed development partner. The final agreements for the first development partner were signed in December and housebuilding will start in 2020. Further capital has been spent on acquiring relevant pieces of land and property to enable the infrastructure works and future development. Substantial professional and team costs have been incurred to develop the HIF application which was successful in the summer of 2019 - and the planning application for 2,000 homes which was submitted in the Autumn. Furthermore, the Councils' team has been expanded to deliver the financial, social and environmental goals of the project.

5.4.14. Property & Economy:

5.4.15. Electric Quarter: Phase 1 was completed in Spring 2019. Phase 2 started on site in Spring 2019 and will deliver 106 homes including 31 affordable homes managed by North London Muslim Housing Association. The Council has also agreed terms to acquire 75 homes for rent. In addition, the phase will deliver a nursery, new library and community space and commercial units. Completion of these units is planned in tranches from January 2020 to February 2021.

5.4.16. Montagu Industrial Estate: Planning consent has now been secured for phase 1 of the redevelopment of this dated industrial estate. The first phase will comprise 55,000 square feet of modern industrial units in 8 units and is expected to start on site this summer. Cabinet will be asked to approve an increased budget to progress the remainder of the scheme in January 2020.

5.4.17. Genotin Road: Construction of the new office building for Metaswitch commenced in the January 2019, the superstructure is nearing completion and the project is on budget and on track to be complete in late Autumn 2020.

5.4.18. The annual allocation for Corporate Property Improvement Programme (CPIP) and the Corporate Capital Conditions Programme (CCCP) have delivered this year:

- design and planning work and a start on site for the relocation of ILDS from St Andrews House to Enfield Highway
- design and feasibility work for the Build the Change project.

5.4.19. Housing Adaptations

5.4.20. 87 adaptations funded by Disabled Facilities Grant (DFG) have been completed to date, with approximately a further 90 expected to complete by year end.

**5.5. Chief Executive**

- 5.5.1. Companies
- 5.5.2. Energetik
- 5.5.3. The company forecasts an additional loan drawdown of £1.89m during 2019/20 to continue legal support services for the completion and execution of the Heat Sale Agreement with NLWA/LEL, License and PCG for DBO works at EcoPark, Heat agreement and leases for Phase B of Electric Quarter and Heat & Power Purchase Agreement with an Hotel at Ladderswood.
- 5.5.4. Funding will also cover the design support and professional services on the ongoing support of town planning application and detailed design for the Meridian Water Heat Network.
- 5.5.5. In addition, are the acquisition of smart meter for the satellite schemes, plantroom procurement including the build and connection to Curlew House i.e. Temporary Energy Centre and underground pipework installation between Alma and Electric Quarter.
- 5.5.6. In addition, the company will be receiving £371k in 2019/20 from Housing Gateway Limited as a result of relinquishing its tax losses, an outcome from the of the group tax relief strategy.
- 5.5.7. Housing Gateway Limited
- 5.5.8. Housing Gateway Limited forecast no additional drawdown for the rest of the year, with drawdown of £5.5m received to date funding the acquisition of 8 street properties at £2.2m as at end of the period, and a further 6 estimated at £1.5m in the final quarter of the year.
- 5.5.9. £625k has been invested during the year towards major repairs work on some of the street properties within HGL's existing investment portfolio.
- 5.5.10. £150k has been spent to date, with an additional £102k expected to support professional services being undertaken ahead of major works planned at Brickfield in Q4 2019/20.
- 5.5.11. It is expected that £2.2m grant monies due to HGL (KD3790) will be used to fully fund the Brickfield project.

## 6. GROWTH TO THE CAPITAL PROGRAMME

**Table 3 Additional Items**

	2019/20	Future Years	Total Growth	Funding Sources	Notes
	£000	£000	£000		
Gentlemen's Row	29	29	57	General Resources	
<b>Chief Exec.</b>	<b>29</b>	<b>29</b>	<b>57</b>		
Schools' Future Programme	7,128	0	7,128	Education & Skills Funding Agency	ESFA January 2019 announcement
<b>PEOPLE</b>	<b>7,128</b>	<b>0</b>	<b>7,128</b>		

Flood Alleviation	241	0	<b>241</b>	<i>GLA/Environment Agency</i>	<i>Greener City Fund/WEIF</i>
Southgate Cemetery	0	210	<b>210</b>	<i>General Resources</i>	
<b>PLACE</b>	<b>241</b>	<b>210</b>	<b>451</b>		
Fire Works	0	66,154	<b>66,154</b>	<i>General Resources</i>	<i>KD4969</i>
Estate Regeneration: Joyce & Snells	1,000	3,000	<b>4,000</b>	<i>General Resources</i>	<i>KD4590</i>
Development Programme	6,683	275,492	<b>282,175</b>	<i>General Resources</i>	<i>KD4590</i>
<b>HRA</b>	<b>7,683</b>	<b>344,646</b>	<b>352,329</b>		
<b>TOTAL Growth</b>	<b>15,080</b>	<b>344,885</b>	<b>359,965</b>		

## 6.1. Education

6.1.1. At the quarter one monitor, growth of £14.6m was reported. This consisted of maintenance grant of £10.3m and special education needs (SEN) allocation of £4.3m from the Education and Skills Funding Agency. The overall SEN allocation has been reduced by £851k, to reflect the fact that it had already been included in the 2018/19 brought forward figure and should not have been included again as growth. The £7.1m represents the 2019/20 Basic Need funding not recognised in previous Capital Monitors.

### 6.1.2. Flood Alleviation

6.1.3. Additional match funding from the GLA and Environment Agency has been secured to support the Albany Park River Restoration and flood alleviation scheme.

### 6.1.4. HRA

6.1.5. The Housing and Growth Strategy places emphasis on investing in existing Council housing, building new Council homes and regenerating places. This strategy has driven a review of the HRA Business Plan to ensure it can sustain the ambitions of Council Housing. It has identified that an additional borrowing of £341m over the next 10 years is required to fund this strategy, with the remaining £8m being funded from general resources. Full details of the growth are reported in the updated Business Plan report (KD4969) which will be presented at January Cabinet.

## 7. **Proposed Reductions**

7.1. Table 4 details the removal of budgets from the Capital Programme.

## Table 4 Reductions

	2019/20	Total Reductions
	£000	£000
Genotin Road (Metaswitch)	(2,925)	(2,925)
<b>PLACE</b>	<b>(2,925)</b>	<b>(2,925)</b>
<b>TOTAL Reduction</b>	<b>(2,925)</b>	<b>(2,925)</b>

### 7.2. Genotin Road

7.2.1. The approved budget for this scheme included an allocation of £2.925m for land acquisition, however further investigation confirmed that all relevant land is already within Council ownership, therefore this element of the budget is not needed.

## 8. Financing General Fund Capital Expenditure

### Table 5 General Fund Capital Expenditure Financing

	2019/20	2020/21	2021/22	2022/23	Total
	£000				
<b>General Fund</b>					
Capital Grants & External Contributions	24,946	30,436	9,977	2,578	67,937
Revenue Contributions	0	0	0	0	0
Capital Receipts	1,304	455	0	0	1,759
Earmarked & Reserves	411	1,860	0	0	2,270
Borrowing Funded by Deferred Capital Receipts	44,453	204,480	149,467	0	415,251
General Borrowing	38,732	46,693	14,420	8,526	398,400
	109,846	280,923	173,864	11,104	575,737
Companies	16,851	0	0	0	16,851
<b>Total</b>	<b>126,697</b>	<b>280,923</b>	<b>1736,864</b>	<b>11,104</b>	<b>592,588</b>

## 9. HOUSING REVENUE ACCOUNT

9.1. Table 6 summarises the 5-year programme, with sections 5.1 and 5.2 highlighting key projected outputs.

**Table 6 HRA Capital Programme**

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£000	£000	£000	£000	£000	£000
Major Works	18,883	31,945	26,133	24,533	24,633	<b>126,128</b>
Minor Works	5,017	6,476	3,323	3,323	3,323	<b>21,463</b>
Estate Regeneration	19,422	21,962	6,379	2,195	1,712	<b>51,669</b>
Development Programme	51,344	71,449	79,211	150,355	135,976	<b>488,334</b>
Fire Works	2,400	12,732	12,316	13,749	7,450	<b>48,647</b>
<b>Total HRA</b>	<b>97,066</b>	<b>144,564</b>	<b>127,362</b>	<b>194,155</b>	<b>173,093</b>	<b>736,240</b>

## 9.2. Major and Minor Works

9.3. Cabinet approved a significant capital works programme aimed at ensuring the Council's properties meets statutory duties around Decent Homes, commencement and completion of previously identified projects and to undertake a number of pilot projects aimed at tackling fire risk and long-term infrastructure problems in blocks. Because of the complexity of some of these projects and the time taken to ensure robust procurement and governance approaches there have been delays in starting on site some of the capital projects, the significant changes include:

- i. Communal boiler change - the project has been delayed due to difficulties in design work, the project will commence after the winter season
- ii. Lift replacement project - a challenge during the s20 process has delayed the start on site, with a 16-week lead time there will be a start on site in the new year.
- iii. Upper Edmonton, external - the specification has been reviewed and made some changes to give better clarity to tenants and leaseholders moving the start date of the project back.
- iv. Cambridge Road West, externals - the specification has been reviewed and some changes have been made to give better clarity to tenants and leaseholders moving the start date of the project back.
- v. Avenues and Newdales minor refurbishment works are being reviewed in line with some potential regeneration to ensure the appropriate works are undertaken.
- vi. Pruden close - conversion of 2/3 flats, the project is reliant on a new heating system to be installed, the team are looking at a ground source heat pump in line with the desire to improve energy efficiency for our residents and this needs further site investigations.
- vii. Bliss, Purcell and Channel island leak stopping and fire stopping works - the specification has been revised a few times to reflect updated guidance following Grenfell tragedy. A sensible approach

has been adopted to ensure the projects meets all current and likely future requirement before starting on site.

- viii. Welbrook cladding, fire prevention and leak stopping works - this is a significant project which includes new cladding, new heating system, leak stopping, door replacements and other associated building works. Due to the number of packages and the complexity we are considering our delivery approach which will ensure the appropriate design quality, guaranteed a fully qualified supply chain and manage the significant interactions between works package. This will be change from the usual design and build approach and work is underway with consultants to ensure the best approach.
- ix. Additionally, the modular extensions (Brimmsdown pods) programme has been delayed following Lakehouse going into administration, and it has taken a few months to appoint a new contractor to complete the works, including following the required legal process.

#### **9.4. Estate Renewals**

- 9.4.1. Cabinet approved the allocation of £4m in November 2019 to take forward the Joyce & Snells scheme through to planning (subject to successful ballot mid-2020). Engagement commenced and design work is ongoing. Should this proceed, this will see almost 3,000 homes built, including a net increase of 500 Council tenancies over and above the 400 that will be replaced.
- 9.4.2. At Alma, the first handover of social rented homes took place in 2019. That year the Council also acquired additional homes through purchase. The regeneration partner, Countryside, submitted a Section 73 application by Countryside seeking increased density. This enables the delivery of phase 4 to be brought forward, resulting in an increase of leasehold acquisitions scheduled for 2020/21.
- 9.4.3. At New Avenue, this year 25 private homes were purchased by the Council and converted to affordable homes through the receipt of GLA grant, which increased the level of affordable housing to 40%. This has provided additional decant options for residents and should bring forward completion of the scheme by up to two years.
- 9.4.4. At Ladderswood, the year to March 2020 will see the completion of 21 affordable and 114 private sale homes, as well as the practical completion of a new hotel. Discussions continue between Enfield, the Ladderswood LLP (One Housing Group and Mulalley) and the GLA to tackle the viability challenge the existing scheme presents. It is envisaged that a viable option will be identified before the end of 2019/20 at which point a revised planning application will be sought. This will protect and enable receipt of the £20m overage attributed to the Council through the existing development agreement.
- 9.4.5. In addition, a number of potential new estate renewal schemes are currently being assessed, in conjunction with the recently completed asset management survey. This will help the Council identify where estates with a negative NPV and other challenges, such as significant ASB or poor-quality housing, may be appropriate for estate renewal.

Where such schemes are identified they will be capitalised once they are to be taken through to planning (and ballot).

## 9.5. Development

9.5.1. In February 2019, Cabinet approved the bid for the Building Council Homes for Londoners. The Council was successful in securing £18.1m of GLA grant for the next 3 years as part of the Building Council Homes for Londoners scheme. The programme is made up of several small site schemes and is expected to deliver 150 new homes within the Borough.

9.5.2. The target for 2019/20 was start on site for 103 homes by March 2020. However, although a few of the schemes specified in the bid have been substituted, the Council will be on site for 179 homes by March 2020 with no additional GLA funding. This included the acquisition of 80 street properties and 75 affordable homes on Electric Quarter between April and December 2019. In Quarter 4, the Council will start on site on 84 homes at Gatward Green, Newstead House and Bury Street West and acquire an additional 20 units on New Avenue.

**Table 7 HRA Capital Financing by Funding Source**

	2019/20	2020/21	2021/22	2022/23	2023/24	Total Funding
	£000	£000	£000	£000	£000	£000
Capital Grants & External Contributions	8,668	14,004	14,450	49,048	6,460	<b>92,630</b>
Revenue Contributions	11,282	30,120	7,454	6,385	5,570	<b>60,811</b>
Capital Receipts	30,231	51,440	41,458	44,222	67,063	<b>234,414</b>
Earmarked Reserves	13,885	0	0	0	0	<b>13,885</b>
General Borrowing	33,000	49,000	64,000	94,500	94,000	<b>334,500</b>
<b>Total Funding</b>	<b>97,066</b>	<b>144,564</b>	<b>127,362</b>	<b>194,155</b>	<b>173,093</b>	<b>736,240</b>

## 10. ALTERNATIVE OPTIONS CONSIDERED

10.1. No alternative options were considered.

## 11. REASONS FOR RECOMMENDATIONS

11.1. To update the Programme for additions and deletions since the Quarter 2 Monitoring report to Cabinet in November and to inform members of the current forecast outturn for 2019/20 and the outputs from the capital investment.

## 12. COMMENTS FROM OTHER DEPARTMENTS

### 12.1. Financial Implications

12.1.1. As the Section 151 Officer, the Executive Director Resources, is required to keep under review the financial position of the Authority. The capital monitoring is part of this review process. If required, measures will be put in place to address risks identified through the

monitoring process and to contain expenditure within approved budgets.

## **12.2. Legal Implications**

12.2.1. The Council has a statutory duty to arrange for the proper administration of its financial affairs and a fiduciary duty to taxpayers with regards to its use of and accounting for public monies. This report assists in the discharge of those duties.”

## **12.3. Property Implications**

12.3.1. This report has been written in consultation with Property Services and therefore any relevant implications are included within the body of the report. Capital investment in the Council’s property assets to ensure compliance and support income growth is supported by the Council’s Strategic Asset Management Plan. Any type of property transactions related to this report will follow the Council’s usual processes, complying with the Property Procedure Rules and being in line with the Strategic Asset Management Plan and Corporate Landlord Policy.

## **13. KEY RISKS**

13.1. All the key risks relating to the quarter are included within the main report.

## **14. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **a. Good homes in well-connected neighbourhoods**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

### **b. Sustain strong and healthy communities**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

### **c. Build our local economy to create a thriving place**

The Capital Programme is designed to address the deliver the Councils priorities and all projects are considered in the context of these priorities.

## **15. EQUALITIES IMPACT IMPLICATIONS**

15.1. Not applicable to this report.

## **16. PERFORMANCE AND DATA IMPLICATIONS**

16.1. The report provides clear evidence of sound financial management, efficient use of resources.

## **17. HEALTH AND SAFETY IMPLICATIONS**

17.1. Not applicable to this report

## **18. HUMAN RESOURCES IMPLICATIONS**



18.1. Not applicable to this report.

**19. PUBLIC HEALTH IMPLICATIONS**

19.1. The underlying schemes which this report refers, contribute to the overall public health objectives of the borough

**20. BACKGROUND PAPERS**

20.1. None.

## Appendix A

### Approved Capital Programme

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000	£000	£000
<b>RESOURCES</b>						
<b><u>Commercial</u></b>						
Forty Hall	68	0	0	0	0	68
<b>Total Commercial</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>
<b><u>Customer Experience &amp; Change</u></b>						
IT Investment	8,425	3,453	0	0	0	11,878
Libraries	131	354	0	0	0	485
<b>Total Customer Experience &amp; Change</b>	<b>8,556</b>	<b>3,807</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,363</b>
<b>Total RESOURCES</b>	<b>8,624</b>	<b>3,807</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,431</b>
<b>PEOPLE</b>						
<b><u>Adult Social Care</u></b>						
Extra Care Housing: Reardon Court	974	7,343	12,420	6,515	0	27,252
Mental Health and Wellbeing Centre	0	2,500	0	0	0	2,500
<b>Total Adult Social Care</b>	<b>974</b>	<b>9,843</b>	<b>12,420</b>	<b>6,515</b>	<b>0</b>	<b>29,752</b>
<b><u>Education</u></b>						
School Expansions	6,609	453	0	0	0	7,062
Schools Maintenance	3,191	0	0	0	0	3,191
Schools' Future Programme	2,337	23,740	9,977	2,578	0	38,633
<b>Total Education</b>	<b>12,137</b>	<b>24,193</b>	<b>9,977</b>	<b>2,578</b>	<b>0</b>	<b>48,886</b>
<b><u>Strategic Commissioning</u></b>						
Community Safety	300	0	0	0	0	300
<b>Total Strategic Commissioning</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>
<b>Total PEOPLE</b>	<b>13,411</b>	<b>34,037</b>	<b>22,397</b>	<b>9,093</b>	<b>0</b>	<b>78,938</b>
<b>PLACE</b>						
<b><u>Environment &amp; Operations</u></b>						
Alley Gating	100	0	0	0	0	100
<b>Highways:</b>						
Flood Alleviation	614	633	0	0	0	1,247
LED Street Lighting	1,140	5,236	0	0	0	6,375
Highways & Street Scene	6,995	0	0	0	0	6,995
<b>Parks:</b>						

Edmonton Cemetery	1,327	0	0	0	0	1,327
Southgate Cemetery	1,116	210	0	0	0	1,326
Play Areas	41	0	0	0	0	41
Tennis Courts Works	5	537	0	0	0	542
<b>Waste, Recycling &amp; Fleet:</b>						
Changes to Waste & Recycling Collections	1,434	455	0	0	0	1,889
Vehicle Replacement Programme	411	1,860	0	0	0	2,270
<b>Traffic &amp; Transportation:</b>						
TFL: Local Implementation Plans	2,261	0	0	0	0	2,261
TFL: Cycle Enfield	6,010	0	0	0	0	6,010
TFL: Angel Walk	865	0	0	0	0	865
<b>Total Environment &amp; Operations</b>	<b>22,319</b>	<b>8,931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,385</b>
<b>Meridian Water</b>						
Meridian Water	44,453	125,959	149,467	0	0	319,879
<b>Total Meridian Water</b>	<b>44,453</b>	<b>125,959</b>	<b>149,467</b>	<b>0</b>	<b>0</b>	<b>319,879</b>
<b>Property &amp; Economy</b>						
Broomfield House	266	0	0	0	0	266
Corporate Condition Programme (prev. BIP)	2,174	0	0	0	0	2,174
Corporate Property Investment Programme	700	1,200	0	0	0	1,900
Edmonton Cemetery Chapel Conversion	108	0	0	0	0	108
Electric Quarter	2,369	5,746	0	0	0	8,116
Ponders End	55	0	0	0	0	55
Genotin Road (Metaswitch)	12,575	9,249	0	0	0	21,824
Montagu Industrial Estate	500	10,946	0	0	0	11,446
Town Centre Regeneration	250	2,500	2,000	2,011	0	6,761
<b>Total Property &amp; Economy</b>	<b>18,997</b>	<b>29,641</b>	<b>2,000</b>	<b>2,011</b>	<b>0</b>	<b>52,650</b>
<b>Housing &amp; Regeneration</b>						
<b>Assessment Services:</b>						
Housing Adaptations (DFG)	2,001	0	0	0	0	2,001
Housing Assistance	12	0	0	0	0	12

<b>Total Assessment Services</b>	<b>2,013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,013</b>
<b>Total PLACE exc. HRA</b>	<b>87,782</b>	<b>164,531</b>	<b>151,467</b>	<b>2,011</b>	<b>0</b>	<b>405,791</b>
<b>Chief Executive (CEX)</b>						
Gentlemen's Row	29	29	0	0	0	57
<b>Total GENERAL FUND exc. COMPANIES</b>	<b>109,846</b>	<b>202,402</b>	<b>173,864</b>	<b>11,104</b>	<b>0</b>	<b>497,217</b>
<b>Chief Executive (CEX)</b>						
<b>Companies:</b>						
Energetik	3,060	32,976	0	0	0	36,036
Housing Gateway Ltd	5,500	46,400	0	0	0	51,900
<b>Total COMPANIES</b>	<b>8,560</b>	<b>79,376</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,936</b>
<b>Total Chief Executive (CEX)</b>	<b>8,588</b>	<b>79,405</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,993</b>
<b>Total GENERAL FUND inc. COMPANIES</b>	<b>118,406</b>	<b>281,778</b>	<b>173,864</b>	<b>11,104</b>	<b>0</b>	<b>585,153</b>
<b>Housing Revenue Account:</b>						
Major Works	19,083	31,945	26,133	24,533	24,633	126,328
Minor Works	4,817	6,476	3,323	3,323	3,323	21,263
Development Programme	51,344	71,449	79,211	150,355	135,976	488,334
Estate Regeneration	19,422	21,962	6,379	2,195	1,712	51,669
Fire Works	2,400	12,732	12,316	13,749	7,450	48,647
<b>Total HRA</b>	<b>97,066</b>	<b>144,564</b>	<b>127,362</b>	<b>194,155</b>	<b>173,093</b>	<b>736,240</b>
<b>Total PLACE inc. HRA</b>	<b>184,848</b>	<b>309,094</b>	<b>278,829</b>	<b>196,166</b>	<b>173,093</b>	<b>1,142,032</b>
<b>APPROVED CAPITAL PROGRAMME</b>	<b>215,472</b>	<b>426,342</b>	<b>301,226</b>	<b>205,259</b>	<b>173,093</b>	<b>1,321,393</b>