

## London Borough of Enfield

### Cabinet

**Meeting Date:** 7<sup>th</sup> July 2021

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**Subject:** Capital Outturn 2020/21

**Cabinet Member:** Councillor Maguire

**Key Decision:** KD5324

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### Purpose of the Report

1. The purpose of this report is to detail the outturn position of the Council's 2020/21 Capital Programme.
2. This is the fourth and final report of 2020/21, following similar monitoring reports as at Period 3 (Quarter 1), Period 6 (Quarter 2) and Period 8 (November).
3. At Period 8, the forecast outturn position for 2020/21 across the General Fund and HRA was £220.760m. The actual outturn is £157.033m which represents 71% spend, compared to the Period 8 forecast.
4. The HRA is reported at a summary level only, with detailed explanations of project outcomes, variances and funding available in the separate HRA Outturn report appearing elsewhere on the agenda.

### Proposals

5. Cabinet is recommended to note:
6. Total expenditure on the Capital Programme for 2020/21 is £157.033m, against the Period 8 forecast of £220.760m, as detailed from paragraph 15;
7. The total reprofiling of £63.781m comprising £43.181m on General Fund programmes and £20.600m on HRA programmes from paragraph 19;
8. Project outcomes for the General Fund programmes from paragraph 23;
9. Variance analysis for the General Fund programmes from paragraph 74;
10. Funding of the Council's capital expenditure for 2020/21 as detailed in Table 7.

## Reasons for Proposals

11. To update Cabinet on the year end Capital Programme position, including project outputs.

## Relevance to the Council's Corporate Plan

12. The Council's capital strategy provides the overall framework under which Capital investment plans are delivered. These plans are informed by the Council's strategic objectives as detailed in the Council's Corporate Plan.

## Background

13. The Council's Capital Programme for 2020/21 to 2029/30 was approved by Council on 26<sup>th</sup> February 2020. The Capital Programme is monitored and reported to Cabinet on a quarterly basis. This includes any additions, reductions and reprofiling of approved budgets.
14. 2020/21 is the second year of the Council changing to a ten year Capital programme which aligns with the ten year Treasury Management strategy.

## Outturn Position

15. The total expenditure on the Capital Programme for 2020/21 is £157.033m, against the Period 8 forecast of £220.760m. The position by directorate is summarised below in Table 1, with further analysis in Table 2.
16. Table 1: Summary Outturn by Directorate

Department	2020/21 Revised Budget £'000	2020/21 Outturn £'000	Spend to Budget %
Resources	5,251	3,039	58%
People	8,141	7,897	97%
Place exc. HRA	46,239	37,485	81%
Meridian Water	63,046	42,935	68%
CEX	57	53	94%
Companies	23,155	11,355	49%
<b>Total GF</b>	<b>145,890</b>	<b>102,764</b>	<b>71%</b>
HRA	74,871	54,269	72%
<b>TOTAL</b>	<b>220,760</b>	<b>157,033</b>	<b>71%</b>

17. A breakdown of the variances between programme reprofiling and over/underspends is shown below in Table 3. Explanations for variances over £0.500m are detailed in paragraph 74 onwards.

18. Detailed outturn expenditure and variances by programme are shown in Appendix A.

19. Table 2: Capital Outturn Summary

	2020/21 Original Budget	2020/21 (Nov) Budget	2020/21 Outturn	Variance	Variance %	Reprofi- ling	* (Under) / Overspend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>							
Digital Data & Technology	6,106	5,101	3,039	(2,062)	59%	(2,062)	0
Customer Experience & Change	331	150	0	(150)	0	(150)	0
<b>RESOURCES</b>	<b>6,437</b>	<b>5,251</b>	<b>3,039</b>	<b>(2,212)</b>	<b>59</b>	<b>(2,212)</b>	<b>0</b>
Adult Social Care	2,500	0	0	0	0	0	0
Education	24,301	7,691	7,625	(67)	99%	(67)	0
Children & Family Services	0	150	0	(150)	0	(150)	0
Community Safety	0	300	273	(27)	91%	(27)	0
<b>PEOPLE</b>	<b>26,801</b>	<b>8,141</b>	<b>7,897</b>	<b>(244)</b>	<b>95%</b>	<b>(244)</b>	<b>0</b>
Environment & Operations	10,158	22,851	19,619	(3,232)	86%	(3,232)	0
Meridian Water	137,637	63,046	42,935	(20,111)	68%	(20,111)	0
Property & Economy	33,096	19,989	15,176	(4,813)	76%	(4,870)	57
Housing and Regeneration	7,224	3,400	2,690	(710)	79%	(710)	0
<b>PLACE (exc. HRA)</b>	<b>188,115</b>	<b>109,286</b>	<b>80,420</b>	<b>(28,866)</b>	<b>77%</b>	<b>(28,923)</b>	<b>57</b>
Gentlemen's Row	57	57	53	(4)	93%	0	(4)
<b>Chief Executive (CEX)</b>	<b>57</b>	<b>57</b>	<b>53</b>	<b>(4)</b>	<b>93%</b>	<b>(4)</b>	<b>0</b>
Energetik	19,726	1,655	1,655	0	100%	0	0
Housing Gateway Ltd	46,716	21,500	9,700	(11,800)	45%	(11,800)	0
<b>Total Companies</b>	<b>66,442</b>	<b>23,155</b>	<b>11,355</b>	<b>(11,800)</b>	<b>49%</b>	<b>(11,800)</b>	<b>0</b>
<b>Total General Fund</b>	<b>287,852</b>	<b>145,890</b>	<b>102,764</b>	<b>(43,126)</b>	<b>70%</b>	<b>(43,181)</b>	<b>53</b>
Housing Revenue Account	154,616	74,871	54,269	(20,602)	72%	(20,600)	0
<b>Total Capital Expenditure</b>	<b>442,468</b>	<b>220,760</b>	<b>157,033</b>	<b>(63,728)</b>	<b>71%</b>	<b>(63,781)</b>	<b>53</b>

20. Reprofiting represents budget adjustments to reflect new timescales for project delivery.

21. Underspends in the above table relate to completed projects that have come in under budget. Projects which are 'overspent' have spent above in year profiled budgets and will be funded from future year budgets.

22. The next section provides details of significant areas of spend during 2020/21 on General Fund projects and the associated outputs delivered by those schemes. The HRA is referenced in summary only as the details are reported in a separate report appearing elsewhere on the agenda.

### Project Outcomes – General Fund

23. Projects outcomes for areas of spend over £1m are described in the paragraphs below. Appendix A details all expenditure at a programme level.

## IT Investment (£3.039m)

24. During 2020/21 a number of Digital Services projects were completed or progressed:
25. New Device Rollout (In Progress) – New hardware to replace remaining non-compatible devices to ensure compatibility with latest software such as Windows 10. This project has progressed slowly due to the pandemic.. Also, some requirements have changed and therefore the project has been extended into 2021/22 to complete.
26. Corporate Intelligence (Completed) – The initial project to look at improved intelligence was finished off at the start of 2020/21 on a few pilot areas, This focused on the initial rollout of Power BI reporting into the organisation, this helps and supports analysis and improved reports. A further phase will be introduced as this will need to be developed further in due course across the organisation and as systems change and services develop.
27. SharePoint(Build the Change) (In progress) – The Council's new Intranet was built using SharePoint and has been fully live for over a year, replacing the legacy Enfield Eye which was no longer supported. The new system is a collaborative tool used by the whole organisation that is easy to update and shares information avoiding duplication. The SharePoint project will migrate files from the old network drives into a new SharePoint Structure that allows collaboration, reducing duplication and enables easy searching and filing. This has progressed with the migration of Meridian Water and Transformation along with Digital Services. With new Heads of Service within Digital Services and a new SharePoint lead, there is a requirement to review and rewrite the current strategy on SharePoint before completing the delivery. With current priorities within the portfolio this is targeted for completion in 2022/23.
28. Libraries Management System (Complete) – The replacement of the old legacy system was completed in 2020/21, with a new system live from April. The new system is modern, easily accessed by staff and customers and used by practically all London Boroughs, with lower annual costs.
29. Commercial Services Microsite (Complete) – This small project went live in 2020/21, providing a dedicated website for commercial activities. Enabling purchasing of services and raising awareness of services available as part of generating income annually.
30. Customer Platform Replacement (In Progress) - This is in progress, with an expected go live in Summer 2021 for phase 1 which is the 'minimum viable product'. This replaces the existing website and forms with a less expensive, easier to maintain system that has significantly less reliance on external contractors. The new platform will initially replace like for like – mending broken customer journeys and providing a new website with a better search function. Phase 2 of this programme, starting in Autumn 2021 will deliver more improvements and modernisation.

31. Infrastructure Programme ( In Progress) – A new network has been installed in 202/21 that improves connectivity and security, along with being aligned to current technology. This is following the successful implementation of moving out of the data centre and on site into cloud servers during 2019/20. Into 2021/22 the programme will look to conclude by moving its mobile services into a new contract that reduces costs and supports connectivity anywhere and a final review of network design. Once complete this will enable reduced annual costs.

#### Reardon Court Extra Care Scheme (£1.101m)

32. This scheme is subject to a separate report elsewhere on the Cabinet agenda and outlines the latest position and progress. Delivery of this Scheme (agreed in July 2019, KD4898) started in 2019/20. The main areas of spend to date include professional fees, surveys and the provision of security which has increased due to a fly-tipping incursion, planning requirements and costs associated with connecting to the Decentralised Heating Network.

#### Education (£7.625m)

33. Cabinet approved the strategy of increasing capacity in special schools that provide education services for some of the most acute special need categories.
34. To deliver the strategy of creating 252 additional Special Education Needs (SEN) places the following projects have so far completed or are in progress:
- Russet House – 14 new places;
  - Waverley at Honilands – 21 new places;
  - Oaktree Refurbishment - completed;
  - Minchenden Autistic Provision – 120 new places;
35. The maintenance programme implementation takes into account the environmental legislation and advances in technology available to improve building and building services efficiency. Examples of the improvements include:
- Building envelope insulation and integrity – roofs and windows for George Spicer School and the Newbury Tuition Centre;
  - Building Services design and efficiency - heating and electrical upgrades for Eldon School (electrics) and Eastfield School (heating);
  - Other examples of works to improve accessibility and safety include Enfield County security works, removal of Winchmore School DDA disability access; removal and Suffolks School security works.

#### Highways (£6.449m)

36. As part of the Council's Capital Programme for Highways and Street Scene in 2020/21, 259 trees were planted, contributing to reducing the Council's carbon emissions by around 2 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalent) per year over time.

37. 12.71km of roads have been resurfaced/reconstructed and renewed and 8.76km of footway has been renewed. As part of a planned process for improving the condition of roads and pavements, 14,000 highway defects were repaired. Several bridge maintenance schemes completed; including bridge joints replaced at Picketts Lock Lane, outline design of road bridge at Whittington Road and several small parks bridges scheme.
38. A number of capital projects underway this year are contributing to the climate change strategy, including those detailed in the paragraphs below.

#### Flood Alleviation scheme (£1.916m)

39. Five main wetland projects were completed during 2020/21 – as shown below, with details of the achievements set out below:

- **Watercourses** - Woodland Way Rain Gardens and other Highways SuDS – a number of additional SUDS (Sustainable Urban Drainage Schemes) projects have been delivered around the Borough, the most significant one is at Woodland Way where 6 large rain gardens have been created to address a specific, highly localised flood risk issue. Forty Hall Weir – essential repairs have been carried out to this 18th century heritage feature.
- **Albany Park Restoration & Flood Alleviation Scheme** - this project involved naturalising a 350m stretch of the Turkey Brook by diverting it into Albany Park, creating over 5 acres of improved habitat for wildlife (including new wetlands) and new footpaths and seating areas for park users, as well as protecting over 400 local properties from flooding during extreme events;
- **Haselbury Moor Bank** - Haselbury Neighbourhood SUDS – completion of a major SUDS project outside the Westerham Avenue shops with associated improvements to public spaces (widened footway and seating);
- **Four Hills Public Realm** - Four Hills SUDS – works involving creating (SuDS) features at the Four Hills housing estate, over 20 individual rain gardens plus additional improvements such as re-paving and providing step free access to ground-floor flats;
- **Enfield Chase Restoration Project** – woodland creation work involved planting 50,000 trees and starting work on an improved 3.3km long footpath along Salmons Brook, this has been supplemented by natural flood management features, such as ponds, wetlands and leaky dams which help to reduce peak flows in the river and reduce flooding downstream in Edmonton.

40. All the schemes have received very positive feedback from delivery partners and the public.

#### LED street Lighting (£4.536m)

41. Design for the LED Street Lighting scheme is complete and initial materials have been purchased and received. The installation of 21,527 LED luminaires to date. A 50% reduction in energy cost is now being seen for the latest months reporting. The reduction in carbon of approx. 1000t CO2. This project will reduce energy usage by approximately 47%, a carbon

reduction of about emissions by 1200 tCO<sub>2</sub> (Tonnes of carbon dioxide equivalent is a comparative measure calculated using: Energy (kWh) x carbon factor / 1000) per annum.

42. As part of the Bridge Assessment & Strengthening Programme, TfL funded works on bridge joints replacement at Picketts Lock Lane, outline design of road bridge at Whittington Road. A number of feasibility studies of bridges and highway structures were completed (£200k) to ascertain the most appropriate course of action for bridge strengthening.

#### Transport for London (TfL) Schemes (£4.870m)

43. This expenditure has been funded through a combination of Local Improvement Plan (LIP) funding provided by TfL to deliver the objectives of the Mayor's Transport Strategy, plus additional funding that the Council has secured through a series of bids, e.g. Mini Holland and Liveable Neighbourhoods.
44. The Traffic & Transportation programme carried out Junction alterations work and formation of 30 new bus stops to enable the introduction of new bus route; road safety improvements on Carterhatch Lane and various junction protection and permit parking schemes.
45. The Healthy Streets programme is almost exclusively funded by TfL and subject particularly to the funding agreement TfL reached with the DfT (Department for Transport) in its bail out agreement. A number of Capital programme items originally considered for implementation 2020/21 were permitted to be extended into the 2021/22 financial year. Ponders End High Street has £0.612m of funding which will now be delivered in 2021/22 as the construction was delayed owing to the term contractor being unable to undertake the work by year end. This work will now take place in during June to October 2021.
46. A number of projects have been implemented during 2020/21 , these include
  - a. Completion of the A1010 North Cycle Enfield project
  - b. Completion of Angel Walk project
  - c. Implementation of phase 1 of the Bowes & Primary Quieter Neighbourhood project trial
  - d. Implementation Fox Lane Quieter Neighbourhood project trial
  - e. Implementation of Phase 1 of the Connaught Gardens Quieter Neighbourhood project trial
  - f. Progression Stage gate 2 for the Enfield Town Liveable Neighbourhood project
  - g. Delivery of 12 experimental school street projects
  - h. Delivery of the A1010 South to North Middlesex University Hospital walking and cycling link
  - i. Delivery of additional residential cycle hangars
  - j. Early design work on potential future projects
47. A number of schemes have been delivered to include Bowes, Fox Lane and Connaught Gardens Quieter Neighbourhoods. The A1010N strategic cycle

route has been completed, as has Angel Walk, a key connection to Meridian Water.

48. Other schemes which have been completed schemes are:

- Completion of Mini Holland Strategic Cycle Route
- Completion of some stages to detailed design.
- Completion of Silver Street Crossing, Park Road modal filter and enforcement location. Shared use path to silver street
- Completion to gate 2 submission.
- Installation of experimental Quieter Neighbourhood scheme phase 1, development of further design for phase 2
- Installation of 12 school streets
- Installation of Fox Lane Quieter Neighbourhood experimental traffic scheme.

Meridian Water (£42.935m)

49. Total spend on the Meridian Water project in 2020/21 was £43.02m, which was £20.02m less than forecast at P8. The main activities undertaken during the year are set out below.
50. Developing the revised masterplan incorporating the Council's vision and strategies for Meridian Water with a target of gaining Cabinet approval towards the end of the calendar year 2021.
51. Purchasing land required to deliver the non-rail strategic infrastructure funded by the HIF grant including preparing for a CPO inquiry.
52. Delivering planning and design for the rail and non-rail strategic infrastructure funded by the HIF grant.
53. Securing the outline planning consent for 2,300 homes in Phase 2 bringing forward Meridian Three (Co-Living), Meridian Four (BtR), Meridian Five (senior living with care) and progressing the development agreement on Meridian 2.
54. Delivering the sustainability strategy and developing the community housing plan for Meridian Water.
55. Entering into the contract with Cadent for relocation of the gas Pressure Reduction Station (PRS) on Willoughby Lane to enable development of Meridian One and future development of Phase 4.
56. Purchase of the Hastingwood Estate - exchanged in 2016, completion already taken place this year, site will bring in £0.330m annual meanwhile income.
57. Delivering meanwhile strategy for Meridian Water to maximise revenue income and Place-making, including £3.3m investment in the Troubadour film studios.



58. Delivering the Building BLoQs meanwhile scheme.
59. Completing the contractually binding purchase of Council Homes at Meridian One from Vistry.
60. Delivering an employment strategy for Meridian Water and agreeing a scope and brief with Vistry for delivery of an enhanced Skills Academy.

#### Corporate Condition Programme (£1.734m)

61. A number of works were carried out to meet health and safety and fire safety landlord obligations.
62. These included various asbestos abatement works and fire door works including at Civic Centre; including windows in D Block, QE2 lift upgrade and work at Beech Barn Farm Agriculture Shed.

#### Corporate Property Investment Programme (£3.860m)

63. A number of works were carried out to meet Corporate Investment obligations. These include relocation of the Independent Learning Disability Service to Enfield Carnegie Library, as well as Reception and Toilet refurbishment at the Civic Centre.

#### Genotin Road (£8.861m)

64. Despite the impacts of Covid-19 delaying the construction programme, Metaswitch Networks took possession of the completed building on 18th February 2021 and rent is due from that date. During the current financial year Metaswitch was acquired by Microsoft. The Council's Fund Monitoring Surveyor's report indicates a likely increase in the capital investment value of the building in excess of £1m over and above the value reported at project inception and therefore represents a welcome windfall gain to the Council.
65. Costs carried over to 2021/22 included inter-alia retentions in respect of external stone cladding, pocket park and southern strip area, and post practical completion measures in relation to the car park to meet "Park Mark" standards and snagging. A 12 month defects liability period will also require a further substantial retention. Total retentions currently stand at £1,408,404 which will be paid down in tranches in the coming weeks following evidence of compliance. A further payment of £400,000 is due imminently leaving a balance of £1,008,404.

#### DFG (Disabled Facilities Grant) Housing Adaptations & Assistance (£1.590m)

66. DFG supports the provision of Enfield's Housing adaptations to enable disabled residents to live independently at home for as long as possible. Residents are provided with essential housing adaptations such as ramp access, stair lifts, level access showers etc. In 2020/21, 222 enquiries were

received, 125 enquiries were approved and a total of 102 adaptations were completed.

#### Energetik (£1.655m)

67. The Council's commitment to the climate change agenda is in part being delivered through investment in connections to low carbon energy such as the Energetik heat network.
68. During 2020/21 Energetik continued with planned infrastructure works including the completing the planning process and detailed design of the Meridian Water Heat Network ready to commence construction in 2021/2022 and complete the installation of the heat exchanger substation at Electric Quarter to allow heat supply to Phase B from the Ponders End Heat Network.
69. Installation of customer interface units into newly connected homes at Ladderswood, Alma, New Avenue and Electric Quarter.
70. Completion of the extension of the Ponders End Heat Network from the Alma Estate to Electric Quarter.
71. Complete the installation of the heat exchanger substation at Electric Quarter to allow heat supply to Phase B from the Ponders End Heat Network.

#### Housing Gateway Ltd (HGL) (£9.700m)

72. Housing Gateway has continued to work with the Council to deliver good quality housing solutions to the residents of Enfield. In 2020/21 HGL purchased 25 properties against a revised target of 50. The purchase of 25 properties has delivered additional cost avoidance of circa £62.5k to the Council through the reduced use of temporary accommodation. At the end of 2020/21, HGL's total portfolio was 565 properties of which 2 properties were purchased as part of the GLA's Rough Sleepers Accommodation Programme (RSAP).
73. £5m of the £9.7m drawn down represents an equity investment by the Council which remains mostly unspent as, at the request of LBE, HGL has prioritised the identification and purchase of properties suitable for RSAP. HGL intends to begin utilising the equity investment to increase its rate of purchasing in 2021/22.

#### **Variances**

74. A breakdown of the variances compared to the forecast position at November (Period 8) is shown in the table below followed by explanations for the variances over £500k.
75. Table 3: Variance Analysis

<b>Capital Budget Variations</b>	<b>Reprofiling £'000</b>	<b>(Under) / Overspend £'000</b>
<b><u>People:</u></b>		
Community Safety	(27)	0
Contribution to Property (Vulnerable Family)	(150)	0
Education	(66)	0
<b><u>Resources:</u></b>		
IT Investment	(2,062)	0
Libraries – Access Centres	(150)	0
<b><u>Place:</u></b>		
Alley Gating	(6)	0
Edmonton Cemetery	(237)	0
Southgate Cemetery	(368)	0
Flood Alleviation	(386)	0
Changes to Waste & Recycling Collections	(48)	0
Tennis Courts Works at Broomfield Park	(51)	0
Vehicle Replacement Programme	(405)	0
TFL: Traffic & Transportation	(29)	0
TFL: Healthy Streets	(497)	0
Corporate Condition Programme	(390)	0
Corporate Property Investment Programme	(140)	0
Forty Hall	(17)	0
Town Centre Regeneration	(107)	0
Extra Care Housing: Reardon Court	(399)	0
Housing Adaptations & Assistance (DFG)	(111)	0
Vacant Property Review	(200)	0
Land Investment	(1,500)	0
LED Street Lighting	(600)	0
Highways & Street Scene	(606)	0
Meridian Water	(20,111)	0
Broomfield Park	0	57
Electric Quarter	(1,358)	0
Genotin Road (Metaswitch)	(811)	0
Montagu Industrial Estate	(545)	0
<b><u>Chief Executive</u></b>		
Gentlemen's Row	(0)	(4)
<b><u>Companies</u></b>		
Housing Gateway Ltd	(11,800)	0
Total General Fund	(43,181)	0
Total HRA	(20,600)	0
	<b>(63,781)</b>	<b>53</b>
<b>Overall Variance</b>		<b>(63,727)</b>

\*Explanation of HRA variance covered in separate HRA outturn report appearing elsewhere on the agenda

#### IT Investment (-£2,062m)

76. New Device Rollout BTC - project has underspent as a result of Covid-19 and delivery of Windows 10 will now be completed in 2021/22.
77. The Infrastructure programme has underspent, due to delays in the award of Mobile Data and Voice Contract and delivery and completion of current phase of Network Programme phased to complete in 2021/22.
78. The CRM Replacement has underspent, due to the delays in evaluation and contract award. That meant that initial costs for implementation were not spent.
79. Children's Transformation Programme – The Children's Delegation Project has produced new functionality. The project was due to finish in March 2021 but due to supplier delays and issues with implementing updates, the final technical changes required to implement these changes on the Portal have been delayed. As a result, the Go-live date has shifted to Oct 2021, although discussions are ongoing with the supplier to bring this forward.

#### Land Investment (-£1,500m)

80. Purchase of the property is now scheduled to be completed by end of Quarter 2 2021/22. Delay has been due to 3rd party taking longer to agree and complete than previously envisaged.

#### LED Street Lighting (-£0.600m)

81. Due to the Covid-19 pandemic there have been delays in the installation of LEDs due to National lockdowns which unfortunately the provider has not been able to catch up on. They have also experienced delays in shipments from Europe since January due to Brexit customs issues at ports.

#### Transport for London (-£0.678m)

82. Traffic & Transportation – Initial funding allocation confirmation was delayed so some works will now be delivered in 2021/22.
83. Healthy Streets - The healthy streets programme is almost exclusively funded by TfL and subject particularly to the funding agreement TfL reached with the DfT in its bail out agreement. A number of capital programme projects originally considered for implementation in the 2020/21 financial year were permitted to be extended into the 2021/22 financial year. Ponders End High Street has £0.612m of funding which will now be delivered in 2021/22 as the construction was delayed owing to the term contractor being unable to undertake the work by year end. This work will now take place in June-Oct 2021.

#### Meridian Water (-£20,011m)

84. Total spend on the Meridian Water project in 2020/21 was £42.935m, which was £20.10m less than forecast at P8. £4.8m of this underspend was due to land acquisitions related to the delivery of non-rail strategic infrastructure. Note that 8 out of 9 deals have been agreed in principle but contracts have not yet been exchanged.
85. £3.4m was contingency not spent. The MW budget aims to carry around 10% of contingency but this has not all been required in this financial year. The contingency has been increased as a result of savings on the zone 1 remediation works, Meridian Three phase 2a procurement and meanwhile site preparation works. These savings have supported other parts of the budget such as the Meridian Two land premium, investment into Troubadour theatres film studios and the skills academy.
86. £1.5m of the underspend was a reduction in interest charged due to the difference between estimated and actual interest charges. Budgeted interest is calculated at the start of the year based on estimated expenditure using an interest rate of 3.5% and is revised along with changes to the budget during the year. The actual interest rate used for the interest charge is 2.7% resulting in a £1.5m underspend. These three items account for circa 50% of the underspend
87. Other areas with underspends include:
- Cadent - construction of a new Pressure Reduction Station (PRS). There is currently an underspend on this budget of £0.800m which relates to the 'client side' contingency and if required will be spent in 2021/22.
  - £0.250m warranty provided by the remediation contractor Cognition.
  - £0.650m underspend for the relocation of the LP/MP mains on Willoughby lane, where work has begun and is almost complete, however an issue has been identified with coordinates which is in the process of being resolved with Cadent.
  - £0.766m underspend against the ongoing HIF enabling works. Land acquisition for the HIF works is ongoing which should complete after the CPO public inquiry date in April 2021, with works to clear and prepare the land for HIF starting in 2021/22, when ownership of the land is anticipated.
  - £1.5m underspend on Meanwhile projects for which the majority is associated with the Building Bloqs project and renovating the Vosa building for occupation. Work on the renovation has begun and needs to be signed off before being certified as complete.
  - There are other underspends in relation to Meanwhile preparatory works and strategy development which are part of the Meridian Studios arrangement with Troubadour.
  - £0.430m underspend in relation to monitoring delivery, procurements, and meanwhile projects associated with the developments.
  - The balance of the underspend is made of below forecast spend on professional external consultants, including legal advice and other items including master planning work, neighbourhood placemaking and refurb of meanwhile buildings and security.

Electric Quarter (-£1,358m)

88. Not all of the Compulsory Purchase Order claims have been settled. It is anticipated that all claims will now be settled in 2021/22.

Genotin Road (-£0.811m)

89. The underspend relates to retention payments which will now be paid in 2021/22.

Montagu Industrial Estate (-£0.545m)

90. Offers made to freeholders of industrial units are in progress, awaiting responses. Cost is likely to be incurred in 2021/22 once CPO resolution and confirmation of order is realised.

Housing Gateway Ltd (-£11.800m)

91. HGL's rate of purchase increased by 108% in 2020/21 and the company had a sufficient number of properties in its purchasing pipeline in advance of year end to exceed its purchasing target for the year.
92. HGL completed 25 purchases in year with 13 properties completing between the period 8 monitoring report and year end. HGL was unable to meet its purchasing target, despite having identified the required number of properties, due to difficulties in securing vacant possession caused by the de facto eviction ban implemented as a result of Covid-19 which extended the purchasing timelines for many properties and pushed completions into 2021/22. HGL cannot purchase tenanted properties if they are to be used for the Rough Sleepers Accommodation Programme (RSAP) and will only buy tenanted properties for other purposes in limited circumstances such as where the existing tenant is an LBE temporary accommodation placement.
93. The SDLT holiday and its subsequent extension also impacted some of the chains that HGL was involved in as vendors working to the 31<sup>st</sup> March deadline pushed completions back when the threat of missing the SDLT reduction was removed. The company has already purchased 12 units in 2021/22 and has a further 34 in its pipeline. HGL will continue to identify properties which are suitable for RSAP until it is no longer feasible to renovate and tenant properties by the GLA deadline.

## Financing - General Fund

94. The capital expenditure was financed as set out in the below table.

95. Table 7: Sources of Funding

Sources of financing	General Fund	Companies	HRA
	£'000	£'000	£'000
Borrowing	74,277	11,355	10,000
Capital Grant & Contributions	17,133	0	4,395
Capital Receipts	0	0	8,173
Earmarked and Capital Reserves	0	0	14,629
Major Repairs Allowance	0	0	17,072

<b>Totals</b>	<b>91,410</b>	<b>11,355</b>	<b>54,269</b>
<b>Total Capital Financing</b>			<b>157,033</b>

96. External borrowing is used by the Council to finance a portion of the Capital Programme. Further information is included in the Treasury Management Outturn Report also on this Cabinet meeting agenda.
97. The 2021/22 Quarter 1 (June) Monitoring report will include details of reprofiling from 2020/21. The latest 2021/22 programme, including any additions to the programme since February 2021 (the approval of the 10-year Capital programme and Strategy Report), will be reviewed as part of the annual budget process to ensure all schemes are affordable with the Medium Term Financial Plan and meet corporate priorities.

### **Main Considerations for the Council**

98. To note the project outputs and capital investment across the capital programme.

### **Safeguarding Implications**

99. Not relevant to this report.

### **Public Health Implications**

100. Through investment in capital building and maintenance; the Council influences the built environment within Enfield significantly. The built environment in turn influences how residents interact with their environment; for example, during active travel or accessing facilities. Ensuring that our capital buildings are maintained, fit for purpose, and wellbeing considerations are taken in terms of their use, how they promote residents' wellbeing is key to contributing positively towards the public's health. Additionally, ensuring that all buildings have minimal environmental impact also contributes towards enhancing resident's wellbeing.

### **Equalities Impact of the Proposal**

101. Not relevant to this report.

### **Environmental and Climate Change Considerations**

102. Environmental and climate changes implications are referenced as relevant in the body of the report

### **Risks that may arise if the proposed decision and related Work is not taken**

103. Not relevant to this report.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

104. Not relevant to this report.

### **Financial Implications**

105. Financial implications are integral to this report.

### **Legal Implications**

106. 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.

### **Workforce Implications**

107. Not relevant to this report.

### **Property Implications**

108. Investment in the Council's Corporate Properties through the Corporate Condition Programme ensures that they remain compliant and fit for purpose ensuring improved energy efficiency and reducing future maintenance and operating costs. Minor delays to some projects in the 2019/20 programme will be caught up in the current financial year with no detriment on the long-term maintenance of the properties.

109. Investment in the Genotin Road project will secure a long-term income stream for the Council whilst ensuring the retention of a major employer in Enfield Town Centre.

### **Other Implications**

110. There are no other implications.

### **Options Considered**

111. Not relevant to this report.

### **Conclusions**

112. The Report provided a year end position of the Capital programme, including the outcomes which were delivered.

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## APPENDIX A

Approved Capital Programme	2020/21 (Nov) Budget	2020/21 Budget Adjustments	2020/21 Revised Budget	2020/21 Expenditure	Variance	Re-profiling (Cfwd) / Bfwd	(Under) / Over-spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>RESOURCES</b>							
<b><u>Digital Data &amp; Technology</u></b>							
IT Investment	5,101	0	5,101	3,039	(2,062)	(2,062)	0
<b>Total Digital Data &amp; Technology</b>	<b>5,101</b>	<b>0</b>	<b>5,101</b>	<b>3,039</b>	<b>(2,062)</b>	<b>(2,062)</b>	<b>0</b>
<b><u>Customer Experience &amp; Change</u></b>							
Libraries - Access Centres	150	0	150	(0)	(150)	(150)	0
<b>Total Customer Experience &amp; Change</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>(0)</b>	<b>(150)</b>	<b>(150)</b>	<b>0</b>
<b>Total RESOURCES</b>	<b>5,251</b>	<b>0</b>	<b>5,251</b>	<b>3,039</b>	<b>(2,212)</b>	<b>(2,212)</b>	<b>0</b>
<b>PEOPLE</b>							
<b><u>Children &amp; Family Services</u></b>							
Community Safety	300	0	300	273	(27)	(27)	0
Contribution to Property (Vulnerable Family)	150	0	150	0	(150)	(150)	0
<b>Total Children &amp; Family Services</b>	<b>450</b>	<b>0</b>	<b>450</b>	<b>273</b>	<b>(177)</b>	<b>(177)</b>	<b>0</b>
<b><u>Education</u></b>							
School Expansions	1,856	0	1,856	2,342	485	485	0
Schools Maintenance	4,879	0	4,879	5,283	404	404	0
Schools' Future Programme	956	0	956	0	(956)	(956)	0
<b>Total Education</b>	<b>7,691</b>	<b>0</b>	<b>7,691</b>	<b>7,625</b>	<b>(67)</b>	<b>(67)</b>	<b>0</b>
<b>Total PEOPLE</b>	<b>8,141</b>	<b>0</b>	<b>8,141</b>	<b>7,897</b>	<b>(244)</b>	<b>(244)</b>	<b>0</b>
<b>PLACE</b>							
<b><u>Environment &amp; Operations</u></b>							
Alley Gating	81	0	81	75	(6)	(6)	0
Edmonton Cemetery	824	0	824	587	(237)	(237)	0
Southgate Cemetery	799	0	799	431	(368)	(368)	0

Approved Capital Programme	2020/21 (Nov) Budget	2020/21 Budget Adjustments	2020/21 Revised Budget	2020/21 Expenditure	Variance	Re-profiling (Cfwd) / Bfwd	(Under) / Over-spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Highways:</b>							
Flood Alleviation	2,302	0	<b>2,302</b>	1,916	(386)	(386)	0
LED Street Lighting	5,137	0	<b>5,137</b>	4,536	(600)	(600)	0
Highways & Street Scene	6,831	152	<b>6,983</b>	6,377	(606)	(606)	0
<b>Public Realm Services:</b>							
Changes to Waste & Recycling Collections	190	0	<b>190</b>	142	(48)	(48)	0
Tennis Courts Works at Broomfield Park	539	0	<b>539</b>	488	(51)	(51)	0
Vehicle Replacement Programme	600	0	<b>600</b>	195	(405)	(405)	0
<b>Traffic &amp; Transportation:</b>							
TFL: Traffic & Transportation	833	0	<b>833</b>	804	(29)	(29)	0
TFL: Healthy Streets	4,716	(152)	<b>4,564</b>	4,066	(649)	(649)	0
<b>Total Environment &amp; Operations</b>	<b>22,851</b>	<b>0</b>	<b>22,851</b>	<b>19,617</b>	<b>(3,232)</b>	<b>(3,232)</b>	<b>0</b>
<b>Meridian Water</b>							
Meridian Water	63,046	0	<b>63,046</b>	42,935	(20,111)	(20,111)	0
<b>Total Meridian Water</b>	<b>63,046</b>	<b>0</b>	<b>63,046</b>	<b>42,935</b>	<b>(20,111)</b>	<b>(20,111)</b>	<b>0</b>
<b>Property &amp; Economy</b>							
Broomfield House	28	0	<b>28</b>	85	57	0	57
Corporate Condition Programme	2,125	0	<b>2,125</b>	1,734	(390)	(390)	0
Corporate Property Investment Programme	4,000	0	<b>4,000</b>	3,860	(140)	(140)	0
Electric Quarter	1,450	0	<b>1,450</b>	92	(1,358)	(1,358)	0
Forty Hall	38	0	<b>38</b>	21	(17)	(17)	0
Genotin Road (Metaswitch)	9,672	0	<b>9,672</b>	8,861	(811)	(811)	0
Land Investment	1,500	0	<b>1,500</b>	0	(1,500)	(1,500)	0

Approved Capital Programme	2020/21 (Nov) Budget	2020/21 Budget Adjustments	2020/21 Revised Budget	2020/21 Expenditure	Variance	Re-profiling (Cfwd) / Bfwd	(Under) / Over-spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Montagu Industrial Estate	1,000	0	1,000	455	(545)	(545)	0
Town Centre Regeneration	175	0	175	68	(107)	(107)	0
<b>Total Property &amp; Economy</b>	<b>19,989</b>	<b>0</b>	<b>19,989</b>	<b>15,176</b>	<b>(4,813)</b>	<b>(4,870)</b>	<b>57</b>
<b>Housing &amp; Regeneration</b>							
Housing Enabling	0	0	0	0	0	0	0
Extra Care Housing: Reardon Court	1,500	0	1,500	1,101	(399)	(399)	0
Housing Adaptations & Assistance (DFG)	1,700	0	1,700	1,589	(111)	(111)	0
Vacant Property Review	200	0	200	0	(200)	(200)	0
<b>Total Housing &amp; Regeneration</b>	<b>3,400</b>	<b>0</b>	<b>3,400</b>	<b>2,690</b>	<b>(710)</b>	<b>(710)</b>	<b>0</b>
<b>Total PLACE exc. HRA</b>	<b>109,285</b>	<b>0</b>	<b>109,285</b>	<b>80,418</b>	<b>(28,867)</b>	<b>(28,924)</b>	<b>57</b>
<b>Chief Executive (CEX)</b>							
Gentlemen's Row	57	0	57	53	(4)	0	(4)
<b>Total Chief Executive (CEX)</b>	<b>57</b>	<b>0</b>	<b>57</b>	<b>53</b>	<b>(4)</b>	<b>0</b>	<b>(4)</b>
<b>Total GENERAL FUND exc. Companies</b>	<b>122,735</b>	<b>0</b>	<b>122,735</b>	<b>91,408</b>	<b>(31,327)</b>	<b>(31,380)</b>	<b>53</b>
<b>COMPANIES</b>							
Energetik	1,655	0	1,655	1,655	0	0	0
Housing Gateway Ltd	21,500	0	21,500	9,700	(11,800)	(11,800)	0
<b>Total COMPANIES</b>	<b>23,155</b>	<b>0</b>	<b>23,155</b>	<b>11,355</b>	<b>(11,800)</b>	<b>(11,800)</b>	<b>0</b>
<b>Total GENERAL FUND</b>	<b>145,890</b>	<b>0</b>	<b>145,890</b>	<b>102,763</b>	<b>(43,127)</b>	<b>(43,180)</b>	<b>53</b>
<b>HOUSING REVENUE ACCOUNT</b>							
Asset-Led Works	2,861	(0)	2,861	2,924	63	63	0

Approved Capital Programme	2020/21 (Nov) Budget	2020/21 Budget Adjustments	2020/21 Revised Budget	2020/21 Expenditure	Variance	Re-profiling (Cfwd) / Bfwd	(Under) / Over-spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Asset-Led Works: Cambridge Road West	0	0	0	0	0	0	0
Asset-Led Works: Upper Edmonton	0	0	0	0	0	0	0
Demand-Led Works	1,253	0	1,253	1,331	78	78	0
Demand-Led Works: Aids & Adaptations	0	0	0	0	0	0	0
Demand-Led Works: Structural Repairs	0	0	0	0	0	0	0
Development Programme	22,875	(443)	22,432	7,341	(15,091)	(15,091)	0
Development Programme: Bury Street	5,313	0	5,313	4,331	(982)	(982)	0
Development Programme: Electric Quarter	5,668	0	5,668	5,160	(508)	(508)	0
Estate Regeneration	2,161	468	2,629	2,372	(257)	(257)	0
Estate Regeneration: Alma Towers	11,569	0	11,569	7,078	(4,491)	(4,491)	0
Estate Regeneration: Ladderswood	189	0	189	166	(23)	(23)	0
Estate Regeneration: New Avenue	11,149	0	11,149	10,377	(773)	(773)	0
Estate Regeneration: Small Sites	390	7	397	404	7	7	0
Fire-Led Works	2,867	0	2,867	2,348	(519)	(519)	0
Stock-Condition-Led Works	8,572	(32)	8,540	10,438	1,897	1,897	0
Stock-Condition-Led Works: Boroughwide	0	0	0	0	0	0	0
<b>Total HRA</b>	<b>74,869</b>	<b>(0)</b>	<b>74,869</b>	<b>54,269</b>	<b>(20,600)</b>	<b>(20,600)</b>	<b>0</b>
<b>Total PLACE inc. HRA</b>	<b>184,154</b>	<b>(0)</b>	<b>184,154</b>	<b>134,687</b>	<b>(49,467)</b>	<b>(49,524)</b>	<b>57</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>220,759</b>	<b>(0)</b>	<b>220,759</b>	<b>157,033</b>	<b>(63,727)</b>	<b>(63,781)</b>	<b>53</b>

## **Background Papers**

The following documents have been relied on in the preparation of this report: