

London Borough of Enfield

Cabinet

14 December 2022

Subject: Capital Programme Monitor Q2 2022/23
Cabinet Member: Councillor Tim Leaver, Finance & Procurement
Executive Director: Fay Hammond, Executive Director Resources

Key Decision: KD5497

Purpose of Report

1. The purpose of this report is to update Members on the forecast capital spend for 2022/23, taking into account the latest information available for all capital schemes including funding.
2. The report sets out the estimated capital spending, the proposed arrangements for funding and the revenue budget relating to capital financing costs and Minimum Revenue Provision. The detail of the Housing Revenue Account (HRA) capital spend is reported separately, with a single summary line included in this report.

Proposal(s)

3. It is recommended that Cabinet notes
 - a. The 2022/23 forecast spend of £302.8m against a budget of £486.4m, which is a forecast variance to budget of 38% across the programme. This reflects strategic and fiscally responsible decisions taken by the Council to manage delivery of its capital programme in response to inflationary pressures, increases in the cost of borrowing and current market conditions, as described in this report.

Reason for Proposal(s)

4. A strong financial management framework, including Member overview and scrutiny of the capital programme, is an essential part of delivering the Council's priorities and statutory duties. This is particularly important in the current macro-economic environment of rising interest rates and inflation and pressures on revenue budgets.

Executive Summary

5. The delivery of the 2022/23 capital programme is impacted by global external factors including the aftermath of the Covid19 pandemic, disruption of global supply chains and more recently soaring inflation and the economic impact of the war in Ukraine. Consumer Price Index (CPI) inflation in September was 10.1% and is forecast to increase further before reducing in later years. Overall construction inflation is significantly higher.

6. This means that all business cases for projects relying on borrowing are being refreshed.
7. The approved capital programme budget for 2022/23 was £486.4m (as approved by Council as part of the 2021/22 outturn report). Subsequent growth in programme of £5.7m is included in the programme, of which £1.5m is funded from borrowing. A further £17.0m of capital budget has been removed from the programme, of which £8.2m was budgeted to be funded from borrowing.
8. As a result, Q2 forecast capital spend is now £302.8m, compared with approved budget of £486.4m (a variance of £183.6m). Q2 forecast £302.8m spend consists of £144.0m for the General Fund (excluding companies), £125.1m for the Housing Revenue Account (HRA) and £33.6m loan drawdown for Enfield Companies as shown in table 1. This outturn estimate is likely to further change at Period 8.
9. This means that the Council is forecast to borrow £85.6m less than budgeted in 2022/23. The majority of the remaining underspend was planned to be funded by grants (£93.7m, which can be utilised in future years.)
10. Reduced in-year prudential borrowing will help mitigate the impact of recent increases in interest rates on the cost of council borrowing (2.5% assumed in budget, increased to 5% at Q2).
11. The capital schemes with largest variances to budget are:
 - a. Meridian Water – (£83.3m)
 - b. Housing Gateway Ltd – (£34.2m) variance to loan drawdown
 - c. HRA – (£9.1m)
 - d. Property & Economy – (£22.6m)
 - e. Education – (£19.5m)

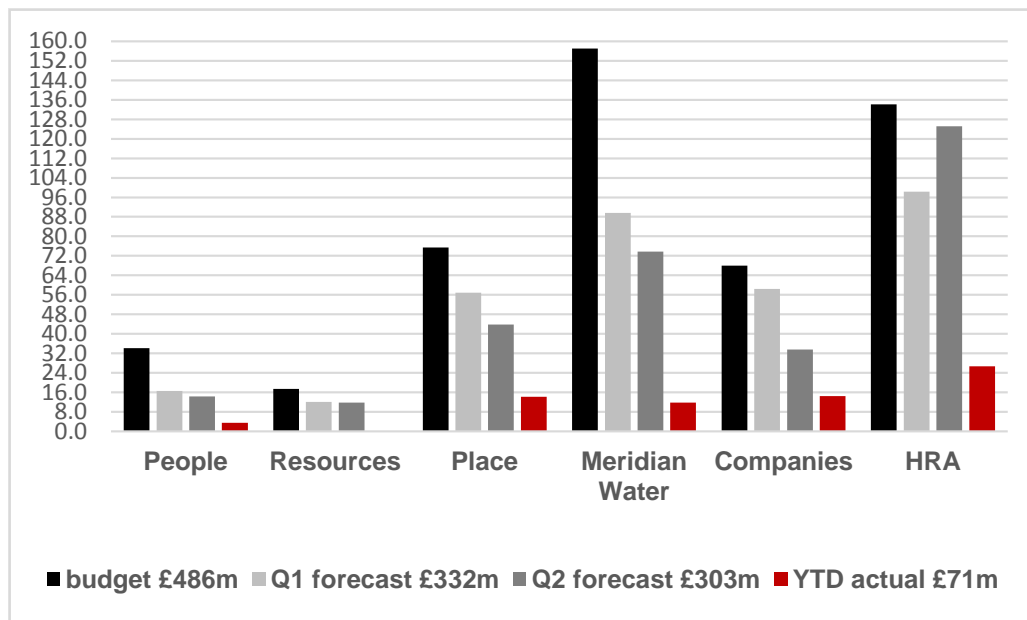
Background

12. On 24th Feb 2022, Council approved the 2022/23 capital programme and noted the 2023/24 - 2031/32 10 Year Programme (KD5353), which included the Housing Revenue Account (HRA) budgets.
13. The Council's capital programme is regularly reviewed, and monitoring reports are submitted to Cabinet on a quarterly basis. In addition, the Capital Finance Board maintains a strategic overview of the financial management of the capital programme and provides an additional level of scrutiny for the major projects. The Council continually strives to maximise external grants and contributions and attract new income streams to fund projects wherever possible and minimise the need to borrow.
14. This is the second quarterly monitoring report of 2022/23. A final report will be prepared with the full year forecast position as at Period 8 (November).
15. Q2 full year forecast outturns are based on programme managers' estimation of actual spend during 2022/23. In making these assessments, programme managers are asked to consider the extent of actual spend incurred and committed to date. These forecasts are expected to change over the next two

months as the full impact of the factors described above are understood on individual programmes.

Capital programme monitoring - overview

16. This report focusses on how the actual programme delivery compares to what was forecast to be delivered in the 2022/23 capital budget of £486.4m. It includes an update on project status and emerging risks for key projects within the capital programme.
17. Q2 full year forecast spend is £302.8m (was £332.0m at Q1). This outturn forecast is likely to further change at Period 8 (November) reporting. The average annual capital outturn over the last 3 years (excluding companies but including the HRA) was £167m.
18. Figure 1 below provides a visual summary of the capital budget, forecast outturn and actual spend (to 30 September) by directorate. Actual spend of £71m excludes salaries and overhead recharges from revenue to capital. These will be processed in Q3 and are estimated to be around £5m for April to September.



19. Table 1 and table 2 below summarise the original budget and forecast outturn capital spend and financing for 2022/23. Details on project status, outcomes and emerging risks and issues for major schemes are provided in later sections of this report.

Table 1 – Q2 capital programme forecast full year spend

Capital budget by Directorate	2022/23 budget £m	Q1 forecast £m	Q2 forecast £m	budget variance £m	forecast to budget %
Resources	17.5	12.1	11.7	(5.7)	67%
People	34.4	16.7	14.5	(19.9)	42%
Place	75.4	56.9	44.0	(31.4)	58%
Meridian Water	157.0	89.6	73.7	(83.3)	47%
General fund (excluding companies)	284.2	175.2	144.0	(140.2)	51%
HRA	134.2	98.3	125.1	(9.1)	93%
HRA	134.2	98.3	125.1	(9.1)	93%
Capital programme (excluding companies)	418.4	273.5	269.1	(149.3)	64%
Energetik	21.7	25.1	21.6	(0.1)	100%
Housing Gateway Ltd	46.3	33.3	12.0	(34.2)	26%
Companies	68.0	58.4	33.6	(34.3)	49%
Total capital programme	486.4	332.0	302.8	(183.6)	62%

Table 2 – Q2 capital programme forecast full year funding

Capital funding	2022/23 budget £m	Q1 forecast £m	Q2 forecast £m	budget variance £m	forecast to budget %
Borrowing	254.7	230.1	169.1	(85.6)	66%
Capital grants	172.9	70.2	79.2	(93.7)	46%
Usable capital receipts	26.4	14.1	28.5	2.1	108%
HRA: earmarked reserves	21.6	3.8	12.8	(8.8)	59%
HRA: Major repairs allowance	8.0	11.3	11.3	3.3	141%
S106 & CIL	2.3	2.3	1.9	(0.4)	90%
Revenue contributions	0.5	0.1	0.0	(0.5)	4%
Total capital funding	486.4	332.0	302.8	(183.5)	

Capital budget adjustments

20. Actual programme delivery against the 2022/23 capital budget has changed to reflect growth and reductions during the year as well as proposed reprofiling of capital budgets no longer required to support programme delivery in 2022/23.

21. **Additions to the approved capital programme £5.7m**

22. Table 3 summarises growth in the capital programme, which mostly relate to confirmation of previous estimates of grant funding.

Table 3 - Q2 additions to the approved capital programme

	£m	Funding source	Comments
Schools maintenance	0.2	Grant – KD5443	Bush Hill Park School – kitchen rebuild
Changes to Waste & Recycling collections	0.1	Capital receipt – KD4810	Capital programme correction to align with original approval
Flood alleviation	0.2	Grant	In-year grant approval confirmed Q1
Heathy Streets	3.1	Grant	In-year grant approval confirmed Q1
Highways & Street Scene	0.4	Grant	In-year grant approval confirmed Q1
Housing adaptations (DFG)	0.3	Grant	In-year grant approval confirmed Q1
Genotin Road (Metaswitch)	1.3	Borrowing – KD4567/KD5464	Capital programme correction to align with original approval
Q1 Growth	5.5		
Investment in Digital Infrastructure	0.2	Grant - KD5456	New ducting and fibre network
Q2 Growth	0.2		
Growth since April 22	5.7		

23. **Reductions to the approved capital programme (£17.0m)**

24. These are itemised in table 4 below. In Q1 expenditure budgets were reduced by (£15.6m), as previously detailed in the Q1 capital budget monitoring report. A further (£1.4m) budget reductions were made in Q2 of the programme. Total reduction in capital budgets since programme approval is (£17.0m).

Table 4 – Q2 reductions to the approved capital programme

	£m	Description
Schools maintenance	(1.3)	Grant funded - schemes completed and budgets reduced
Build the Change	(0.4)	Funded by borrowing funded - Removal of revenue spend from capital budgets
Land Investment	(7.5)	Funded by borrowing funded - Scheme no longer progressing
Traffic & Transportation	(0.2)	Estimate replaced by confirmed grant funding
Healthy Streets	(6.1)	Estimate replaced by confirmed grant funding
Q1 Reductions	(15.6)	
Alley gating	(0.1)	Removal of budget from capital programme
Healthy Streets	(1.0)	Reduced spend forecasts – grant funded
Empty Properties	(0.3)	Reduced spend – part of EMT review
Q2 Reductions	(1.4)	
Reductions since April 2022	(17.0)	

25. Approvals to spend capital budgets

26. The Council's financial regulations require all projects to obtain approval to spend (i.e. a detailed review of the business case). This is separate to Council approval of the overall budget envelope. This detailed level approval must be secured in advance of spend being incurred. Whilst not impacting on the overall value of the capital programme, table 6 below details projects that have obtained appropriate approval to spend since April 2022. In Q1 £10.4m 'budget envelopes' progressed with approval to spend. In Q2 a further £0.4m capital budgets received second level approval (total approvals to spend since April 2022 is £10.8m). This is in addition to all the programmes that already had detailed capital budget approval.

Table 5 – Q2 approvals to spend

	2022/23 £m	Approval & Funding Source
Approvals to spend in Q1	10.4	
IT investment	0.2	ROD 7 July 2022 – funded borrowing
Flood alleviation	0.3	KD5423 – funded 50% grant 50% borrowing
Healthy Streets	1.8	KD5246 – funded grant and S106/CIL
Highways & Street Scene	8.0	KD5423 - funded borrowing
Housing adaptations (DFG)	0.1	KG5462 – funded grant
Q1 Approvals to spend	10.4	
ICT investment – CRM replacement	0.4	ROD 13 July 2022 - funded borrowing
Q2 Approvals to spend	0.4	
Approvals since April 2022	10.8	

27. Of the £302.8m Q2 forecast outturn budget for 2022/23, £11.5m (4%) consists of capital budgets pending approval to spend. This means that no spend has yet been incurred against them. These budget envelopes are funded from £2.5m capital grant and £9.0m borrowing (total £11.5m). The capacity to spend these budgets will be tested with budget holders as part of Period 8 capital budget monitoring.

Financial risks

28. Cost Inflation has been rising steadily over the last year. The Bank of England is expecting inflation to rise to around 13% by the end of the calendar year with energy and fuel prices contributing half of that amount. Consumer Price Index (CPI) currently stands at 10.1%, which is significantly above the Government's 2% target rate. Since early 2021, the UK construction sector has seen high inflation in materials and build costs, alongside materials and labour shortages affecting site activity. This is the combined effect of COVID working practices, supply chain disruption, and new immigration and trading requirements.
29. These factors have already had a direct impact on the Council's current capital programme. For example, the Meridian Water financial model is being updated, and alternative delivery options investigated. The HRA is also considering alternative approaches for the delivery of new homes.
30. There is risk that some planned capital spend may no longer represent value for money because of rising costs. As a result, where relevant, business cases are being refreshed to demonstrate value for money as well as affordability as part of budget setting 2023/24.
31. Where projects have been paused there is a risk that the Council continues to incur project overheads, which may have to be charged to revenue budgets or managed within existing budgets.
32. There is inherent risk that, where projects are descoped or revised in response to escalating costs, approved outcomes are not achieved to the same extent as planned.
33. As well as ensuring that grant conditions are complied with, there is an underlying risk of grant being withheld or clawed back should outcomes not be achieved. For example, to date Meridian Water has claimed £22.2m of HIF grant funding, which is linked to achievement of milestones and housing output.
34. Delays in capital programme delivery will also potentially impact on delivery of revenue income currently assumed within the Medium Term Financial Plan (MTFP).
35. At £169.1m, around 56% of the in-year capital programme is expected to be funded from prudential borrowing. The Council must ensure sufficient annual revenue provision is made for the repayment of this debt (including interest) during this period of volatility. On 3 November 2022 the Bank of England increased its base rate to 3.0% (for context it was 0.1% in March 2020), with the next review on 15 December 2022. Corresponding increases in gilt yields have also resulted in a rise in Public Works Lending Board (PWLB) borrowing rates. There is considerable volatility in interest rates, which have an acute impact on the revenue financing costs of borrowing undertaken to deliver the capital programme.

36. This risk also extends to the cost of refinancing historic debt taken out as historic loans mature.
37. There is inherent risk that assumed funding from capital receipts does not materialise as forecast, within timescales assumed. The council would potentially have to fund any shortfall in funding.

2022/23 Capital programme – status, risks, outcomes and variances

38. The following paragraphs provide explanations for variances and a description of forecast outcomes from larger programmes.

39. Resources

Table 6 – Resources Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
IT Investment	17.1	11.4	(5.7)
Libraries	0.1	0.1	0.0
Community Hubs	0.3	0.3	0.0
Resources	17.5	11.7	(5.7)

Programme status and expected outcomes

40. The Council is delivering infrastructure Phase 1A programme, asset management replacement, customer platform replacement and payment programme during 2022/23. Further programmes expected to commence delivery in 2022/23 include unified communications, smart mobile devices and end user computing.

Q2 forecast variance to budget

41. The £5.7m underspend in 2022/23 reflects supply chain issues and difficulties in procuring digital and IT equipment as quickly as expected. The Council continues to experience 6 to 12 month lead in times for equipment in some cases. This impacts the delivery of the Smart Devices, EUC/Hardware Replacement and Infrastructure Programmes. Obtaining resources to work on these priority programmes remain difficult to recruit to. Whilst this is being addressed through additional temporary staff, this has impacted on the pace of delivery. The resourcing issue is being addressed by using managed services to undertake discovery work – but contracts take time to procure and implement.

42. People

Table 7 – People Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Schools Maintenance	16.6	5.8	(10.8)
Strategic Schools Places Programme	17.0	8.2	(8.8)
Children & Families	0.8	0.5	(0.3)
People	34.4	14.5	(19.9)

Programme status and expected outcomes

43. The Schools Capital Programme (funded predominantly from DfE capital grants) seeks to ensure sufficiency of school places within the locality and the maintenance of the local authority-controlled school estate to an appropriate standard. The strategy of expansion of school places for SEND children also continues in 2022/23.
44. Schools maintenance programme - This programme is entirely funded from DfE school condition grant and consists of various schemes across the school estate. De Bohun Primary - phases 1 & 2 are now complete and in defects liability stage, with remaining work planned to be completed this financial year. Enfield County works are at various stages of procurement / construction process. Swan Centre refurbishment and remodelling (for additional SEND places) are due to commence on-site by the end of the year.
45. Strategic Schools Programme - this programme is entirely funded from DfE basic need grant. Winchmore sixth form building is currently being reprocured because of inflationary increases in estimated costs of project delivery. MUGA works are expected to complete this financial year. Aylands School rebuild (to provide additional 70 SEND school places) is scheduled to complete Feb 2023. Minchenden Autistic Provision works have completed within budget.
46. Mental Health & Wellbeing – site options have been proposed and preferred site identified. Further work required before report is brought forward for approval – will potentially be funded from future capital receipts.

Q2 forecast variance to budget

47. The main reason for the underspend is the re-alignment of project budgets with revised delivery timescales due to market (inflationary) pressures requiring project scopes to be redefined resulting in proposed programme reprofiling to future years.
48. This includes £3m for the Oaktree school expansion project and the Swan Annexe remodelling project that will deliver additional SEND places and £4m for Winchmore 6th form. The requested addition for Strategic Schools and Schools Maintenance of £3m and £5m respectively was added to the programme upon

approval from February 2022 Cabinet and will be reprofiled as it has yet to be allocated to specific projects that are still at inception stage.

49. **Place**

50. The Council approved £75.4m capital spend in 2022/23 within the Place directorate. Q2 projection of full year spend is £44.0m (58% of approved budget).

Table 8 – Place Q2 forecast full year spend

	2022/23 budget £m	Q2 forecast £m	Variance to budget £m
Environment & Operations	28.4	19.7	(8.8)
Property & Economy	44.1	21.4	(22.6)
Housing & Regeneration	2.9	2.9	(0.0)
Place	75.4	44.0	(31.4)

51. **Environment and Operations**

Programme status and expected outcomes

52. Edmonton Cemetery – The build phase of the programme is now complete and consists of 144 mausolea, 200 vaulted chambers, and 144 cremation niches, providing capacity for 544 burials. Landscaping works are completed as are repairs to the skate park. The scheme is expected to be delivered within approved funding.
53. Flood Alleviation – Turkey Brook - contractor is on site carrying out works. Haslebury Neighbourhood Improvements works are substantially complete. Enfield Chase Restoration Project – most of the works are expected to be undertaken over the winter (tree planting season).
54. Highways & Street Scene - The programme has been impacted by cost inflationary pressures, which has resulted in some planned schemes being pushed to later years. To date around 10.9km of carriageways have either been resurfaced or subject to surface treatment. Some planned resurfacing has been delayed to later years because of cost inflation. To date 8,842 planned defects works have been completed. This compares with full year target of 18,000 repairs. Cost increases may require some schemes in the carriageway and footway programmes to be re-profiled into 2023/24. Various footways renewal schemes have been completed and the programme is ongoing. Inflationary pressures have seen schedule of rates increase by up to 12%. Watercourses programme - Oaklands wetlands on site and expecting to complete around 80% this year and Oakthorpe is 90% complete. Planned works at Wilbury are delayed and may not start until March. Highways Trees – trees have either been ordered or and in the process of being order in preparation for the tree planting season (November to March).

55. Expansion of trade waste service – Scheme is still at the planning stage and will require full financial viability assessment.
56. Vehicle Replacement Programme - £1m of fleet vehicles are under order and are expected to be received by the end of Q3 2022.. The Council's itemised 10 year fleet replacement plan is being revised to reflect current vehicle acquisition prices and lead in times. The current approved plan assumes the Council will continue to replace the bulk of its fleet with diesel vehicles (only 14 electric vans currently owned). Every proposed vehicle acquisition is 'evaluated' prior to order being placed to ensure that outright purchase (as opposed to lease or hire) remains the most financially advantageous option.
57. Healthy Streets – The Healthy Streets programme receives external grant funding from a range of sources, which must be spent in accordance with grant conditions. Indicative grant funding allocations of £7.1m included at budget have since been removed (table 5) as actual grant allocations are confirmed. At Q2 grant funded capital budget of £5.8m is currently approved for 2022/23. This budget will be amended in Period 8 to reflect £2.9m TfL grant funding awarded late September 2022. Budget is expected to be fully utilised in 2022/23. The programme is on track for successful delivery this financial year, delivering a range of challenging projects. Two major projects (Ponders End High Street and North Middlesex Hospital active travel route) are due for completion in Q3. Enfield Town to Broxbourne walking & cycling route benefits from £2.3m funding from National Highways - reprofiling discussions underway with National Highways to allocate some of this into next financial year. Additional investment in the delivery of 10 School Streets which are on course to be completed by March 23.
58. Traffic and Transportation - TfL grant funding of £0.4m was confirmed in Q2. This has been allocated to specific schemes within the programme including LIP Bus Priority and LIP Vision Zero Initiatives. Schemes are fully grant funded.

Q2 forecast variance explanation

59. The main reasons for the forecast underspend are
 - a. the planned purchase of electric vehicles in the Vehicle Replacement programme, due to significant additional lead in times for the purchase of vehicles; and
 - b. a £7m reduction in Healthy Streets programme budget to remove indicative grant funded budget amounts.

60. Property & Economy

Programme status and expected outcomes

61. Build the change £7.5m full year forecast spend to deliver:
 - a. Hub 1 - Civic Centre. Works are restricted to finalising works on meeting rooms. All other works are paused while the business case is reviewed.
 - b. Hub 2 - Thomas Hardy House & Dugdale – works are expected to complete in December 2022, with all in-year capital budget planned to be utilised.

62. Montagu Industrial estate. £1.5m forecast full year spend for site acquisitions, with CPO approval anticipated in Q4.
63. Corporate Property Investment Programme – programme has been prioritised. Residual £0.9m forecast 2022/23 spend is earmarked to surveys, security works, essential health & safety works and smaller projects across the estate.
64. Corporate Property Condition Programme – whilst average annual spend is around £3m, around £4.1m is currently included in Q2 full year forecast (funded from borrowing). The £4.1m includes contingency for market volatility, which will be further assessed as part of period 8 monitoring. Planned works include car park works (including ANPR, and infrastructure and install of EV points), upgrade works to accessible toilets in parks across the Borough, works to support the Public Sector Decarbonisation Scheme (PSDS) project at various corporate properties, and essential health & safety works across multiple buildings. Contingency has been set aside for market volatility.
65. Genotin Road - The building is complete and operational with final payments to be made this financial year.
66. Electric Quarter – The Council is forecasting £0.5m of CPO payments in Q3 of 2022/23. Potential additional capital budget for claims awaiting settlement agreement will be reviewed as part of capital programme budget setting for 2023/24.
67. Electric Quarter - £0.9m is approved this year for Ponders End library fit-out and Secondary Behavioural Support Services (SBSS) relocation from John Wilkes House. Ponders End Library works are now substantially complete (£0.6m forecast spend this year). Around £0.1m spend is currently forecast on project design for the SBSS relocation project. Current build cost estimates exceed approved capital budget. A revised business case is required (and approved as a key decision) prior to progressing with the construction phase of the scheme.
68. Energy Decarbonisation (RE:FIT) - £1.3m forecast spend for solar panels, heat pumps, windows and roof lights installed at 3 schools and some corporate buildings.
69. Tottenham Park Cemetery – The project is currently on hold.
70. Dugdale Coffee shop renovation project on target to complete by December 2022, as planned.
71. Town Centre Regeneration - forecast spend includes completion of Angel Edmonton works, including the Living Room Library, Affordable Workspace, School Street, and Public Realm. Budget also earmarked for Town Centre Taskforce improvements.

Q2 forecast variance to budget

72. Property & Economy is now forecasting full year spend of £21.4m (£44.1m budget). The primary reasons for the underspend this year are:

- a. the removal of £7.5m budget approved for the strategic acquisition of land that is no longer required;
- b. £6.5m Build the Change Hub 1 – Civic Centre budget anticipated to be spent in later years whilst concept design works for future phases are completed;
- c. £5.0m budget for Montagu Industrial Estate. We are working closely with our Joint Venture partner to review and amend the business plan in light of changing economic circumstances.;
- d. £2.7m budget for building maintenance and improvements across the rural estate, corporate residential and parks buildings;
- e. £0.5m budget to 2023/24 for Tottenham Park Cemetery.

73. Housing & Regeneration (General Fund)

Programme status and expected outcomes

74. Q2 forecast full year spend consists of £2.7m major adaptations to people's homes to enable them to live independently within their own homes for as long and as safely as possible. These works are funded from Disabled Facilities Grant. The funding supports a significant number of people to continue living in their own homes and a reduction in the number of permanent placements into care homes, which is in line with the Better Care Fund plan jointly agreed by Enfield Council and North Central London Integrated Commissioning Board. The 2022/23 DFG allocation (from within the Better Care Fund allocation) was approved by Cabinet in October 2022.
75. Q2 forecast also includes £0.2m spend on grants to property owners to bring empty properties back into use, on condition that property owners agree to lease the property to the Council for use as temporary accommodation.

Q2 forecast variance to budget

76. The Empty Homes (Vacant Property review) budget will be reduced by £0.3m a part of the ongoing Executive Management Team (EMT) in year programme review.

77. Meridian Water

Table 9 – Meridian Water Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Meridian One	21.2	25.6	4.4
Meridian Two	3.0	3.0	0.0
Meridian Three	0.4	0.4	0.0
Meridian Three and Meridian Four (50/50)	1.9	1.3	(0.6)
Meridian Four	12.2	1.7	(10.6)
Meridian Five	0.1	0.1	(0.1)
Meridian Seven	0.1	0.1	0.0
Meridian Eight	0.1	0.0	(0.1)
Meridian Nine	0.1	0.0	(0.1)
Meridian Ten	0.5	0.5	0.0
Meridian Eleven	0.0	0.1	0.1
Meridian Water Scheme-wide	35.7	21.7	(14.0)
Meridian Water HIF	81.7	19.4	(62.4)
Meridian Water	157.0	73.7	(83.3)

Programme status and expected outcomes

78. The following deliverables are forecast for 2022/23

- a. Continued progress on critical early works related to strategic infrastructure, to finalise the preliminary stage of the HIF works;
- b. Continuing work on the governance required for HIF rail works to complete GRIP(Governance for Railway investment Projects) stages 3 & 4 (Option and Option selection);
- c. Continued progress on the development of the affordable homes on Meridian One;
- d. Meridian Two land enabling works;
- e. Clearance of a significant waste mound, required for HIF works;
- f. Delivery of the skills academy
- g. Demolition and refurbishment of F-block to bring the site into meanwhile use by December;
- h. Continued work on the master plan including vision document and infrastructure plan, meeting planning requirements, discharging conditions.

Q2 forecast variance to budget

79. **Meridian Water Scheme-Wide**

Due to the current budgetary pressures on the council and challenging scheme viability there has been a reduction in non - essential spend, reduced reliance on consultants as well as a reduction in staffing cost which has contributed to a scheme wide underspend.

The budget also assumes the purchase of the 3 Anthony way site, the decision has been taken not to proceed with the purchase at the current time resulting in a significant underspend in the 'scheme-wide' budget this year.

80. Meridian 1

An estimated overspend of £1.3m relates the Cadent contract due to additional specialist materials not included in original estimate, sewer diversion, contaminated Land disposal (contested by LBE/ VPL), programme delays leading to preliminary costs, additional overheads and profit. Cadent will be providing a detailed breakdown of the additional cost which will be fully reviewed. This will be funded from available contingency.

The forecast includes an additional £3m HRA payment as a result of resolution to grant now achieved for Meridian 1B and works proceeding well on 1A. The Developer is projecting progress of works on site faster than initially proposed this year. This overspend is not an additional sum over what has been previously budgeted for the HRA payments, but monies will be required sooner than previously proposed.

81. Meridian Water HIF Street Works

The original 2022/23 budget assumed that the Council would carry out enabling works in Spring 2022 and enter into the Main Works Contract to deliver the Infrastructure Works in summer 2022. However, due to significant budget pressure the construction start date has been delayed until early 2023 whilst funding is being agreed with DLUHC. Consequently the forecast reflects the updated project programme.

The latest project Cost Plan, which is informed by the price offer for the Main Works from the preferred Framework Contractor (Vinci Taylor Woodrow) indicates a £47m budget pressure, mainly due to exceptional inflation cost increases and fees related to prolongation and design changes. The budget overrun, excluding high inflation, is not unusual at this point in a project of this nature and can be attributed to prolongation costs, due to funding delays and other aspects of design development DLUHC will be asked to fund.

Negotiations have started with DLUHC to obtain additional HIF funding for the inflation and other cost increases. A DLUHC funding decision is expected in early 2023, which should, if positive, enable a construction start in early 2023. In parallel the team has identified different levels of descope and value engineering items that could be instructed to mitigate part of the budget pressure.

82. Meridian Water Rail Works

The budget assumed that we would have entered the Main Works contract and the Contractor would be carrying out technical design and booking network rail possessions. Due to design delays and delays on the contractor procurement, this is now envisaged to start in November / December 2022. The 2022/23 forecast has been revised to reflect the updated project programme.

83. Meridian 4

Meridian 4 continues to consider alternative delivery options following unprecedented cost inflation. Royal Institute of British Architects (RIBA) stage 4 works will no longer progress in 2022/23, delaying £10.6m of expenditure into next financial year.

84. Companies

Table 10 – Companies Q2 forecast full year spend

	2022/23 Budget £m	Q2 forecast £m	Variance to budget £m
Energetik	21.7	21.6	(0.1)
Housing Gateway Ltd	46.3	12.0	(34.2)
Companies	68.0	33.6	(34.3)

Programme status and expected outcomes

85. Housing Gateway Ltd (HGL)

Programme status and expected outcomes

86. HGL has an overall approved 2022/23 budget of £46.3m. This consists of £44.4m loans and £1.85m GLA Rough Sleepers Accommodation Programme (RSAP). At Q2 HGL forecasts to drawdown £10.2m in loans and to utilise the remaining GLA (RSAP) grant of £1.8m (total £6m RSAP grant funding, of which £4.2m was utilised in 2021/22).
87. The original budget for 2022/23 assumed the acquisition of 70 new properties. To date HGL has acquired 22 properties (14 RSAP part funded and 8 street properties), with a further 17 properties in the pipeline (5 RSAP homes and 12 street properties).
88. Planned acquisitions have been impacted by increases in interest rates throughout the year. As a result of the recent sharp increase in October 2022, HGL has taken the decision not to progress with further acquisitions other than those already in the pipeline.
89. This position is being reviewed on a fortnightly basis and the acquisition programme will be resumed as soon as the financial position allows.
90. Approved capital budget will also facilitate the delivery of a major works programme at Brickfield Housing and Greenway House consisting of the remediation of roofing defects at Greenway House and the replacement of fire doors and remediation of fire safety defects at Brickfield House and Greenway House as well as the extension of 27 leases on properties owned by HGL.

Q2 forecast variance to budget

91. As a result of factors described above, HGL has requested that £34.2m of in-year budget is no longer drawn down this financial year but instead utilised between 2023/24 and 2026/27. This proposed adjustment is fully funded from prudential borrowing.

Energetik

Company performance

92. Energetik is currently constructing the Meridian Water Energy Centre, which is anticipated to be fully constructed by May 2023.
93. As of 31st March 2022, Energetik had 830 connected properties, consisting of 826 residential units and 4 commercial properties. This was ahead of the projected 607 connections, an increase in performance of 36%. The company business plan as approved in 2019 projected that 1,359 properties would be connected by 31st March 2023.
94. Energetik's financial performance is dependent on the pace of development and supply being achieved. A reduction in the pace of development in the borough would delay connections made to the heat network.
95. Energetik recorded a net profit in 2021/22 for the first time of £108k. The previous financial year reported a net loss of £372k. The net profit was driven by one off connection fees and selling electricity at currently elevated prices. Operating profit had improved significantly from £127k as reported in 2020/21 to £1.29m (2021/22). The full financial results for Energetik will be analysed for Cabinet in a separate report in due course. During the current financial year Energetik has continued to make timely loan repayments. As at Quarter two Energetik has drawn a total of £30.3m loans and has repaid back £0.8m, therefore has a closing loan balance of £29.5m. A further £17.75m of grants have been provided in the form of equity in the Company during 2020/21 and 2021/22.

Programme status and expected outcomes

96. Energetik has a 2022/23 approved budget of £21.7m, consisting of £21m Tranche 1, 2 & 3 loans, GLA Retrofit grant £450k & Section 106 £240k.
97. The forecast deliverables for 2022/23 are
 - a. Completion of the Meridian Water energy centre build and installing of all plant (target date March 2023);
 - b. Continue with the installation of phase 1 network to Meridian Water and inside the estate;
 - c. Design of the Meridian Waters western extension and application for planning permission;
 - d. Preparation and issue of tender and contractor appointment for works for Meridian Water western extension Phase 2;
 - e. Start of build for Meridian Water northern extension sections A1 and A2.

Q2 forecast variance to budget

98. Planned deliverables above are expected to be achieved within revised forecast outturn of £21.6m (variance of (£0.1m) to budget).

Financing the capital programme

99. Appendix A and Appendix B set out the overall 2022/23 forecast capital spend and financing. Appendices C and D, show the individual forecast for borrowing and grants at programme level.

Borrowing

100. Council approved £254.7m new borrowing for 2022/23 to finance its capital programme. This borrowing forecast was reduced to £230.1m in Q1 and to £169.1m in Q2 (net £85.6m reduction in 2022/23 borrowing to budget).

Table 11 – Q2 forecast full year borrowing

	2022/23	Q1	Q2	variance to
	Budget	forecast	forecast	budget
	£m	£m	£m	£m
Resources	17.4	12.0	11.7	(5.7)
People	0.8	0.5	0.4	(0.3)
Place	56.9	44.8	31.9	(24.9)
Meridian Water	52.6	65.0	53.3	0.7
Companies	65.4	55.9	31.2	(34.2)
HRA	61.6	51.9	40.5	(21.1)
	254.7	230.1	169.1	(85.6)

101. In-year borrowing forecast is reduced by £85.6m in line with changes to forecast capital expenditure budgets. This consists of £64.5m reduction in general fund borrowing and £21.1m reduction in HRA borrowing. Much of this variance relates to borrowing now planned in later years of the capital programme (subject to Council approval) and is not a permanent reduction in overall borrowing requirement.
102. Growth and reductions to the capital programme funded from borrowing are detailed in Tables 3 and 4.
103. HRA borrowing - details available in the separate HRA report on the agenda KD5498.
104. **Revenue impact of the borrowing in the capital programme**
105. The 2022/23 revenue financing cost of borrowing consists of interest costs and Minimum Revenue Provision (i.e. annual provision for repaying debt principal) (MRP). The Council makes annual provision for MRP in accordance with its approved MRP policy (approved February 2022 as part of the Treasury Management Strategy KD5355) for capital expenditure that has been financed from borrowing. MRP is chargeable the year after the respective asset has become operational. The annual charge equates to the amount borrowed to

finance capital expenditure spread over the life of the asset. It follows that any changes in overall borrowing need in 2022/23 will not directly impact on MRP level in 2022/23 but will instead impact on MRP projections from 2023/24 onwards.

106. Changes in the level of 2022/23 borrowing required will however impact on interest costs this financial year. At budget setting (February 2022) the Council budgeted for interest on in-year borrowing to finance the capital programme and refinance maturing debt at 2.5%, however actual rates at Q2 are 5% due to recent interest rate rises.

Grants

107. The Council forecasts utilising £79.2m government grant funding to deliver its 2022/23 capital programme. The variance of (£93.7m) to budget grant utilisation (as detailed in the table below) reflects changes in planned spend in budgets, as described in the respective departmental sections above. Subject to the grant conditions and relevant Council approvals, the grant will be reprofiled to future years at year end.

Table 12 – Q2 forecast full year grant utilisation

	2022/23	Q1	Q2	variance to
	budget	forecast	forecast	budget
	£m	£m	£m	£m
People	33.5	16.2	14.0	(19.5)
Place	12.5	10.0	10.4	(2.2)
Meridian Water	104.4	23.5	19.4	(85.0)
Companies	2.3	2.3	2.2	(0.1)
HRA	20.2	18.2	33.2	13.1
	172.9	70.2	79.2	(93.7)

108. HRA – more capital grant is now available for planned utilisation in 2022/23 (a change in financing as opposed to budget overspend). Details are available in the separate HRA report on the agenda KD5498.

Capital receipts

109. The Council expects to use £2.1m more capital receipts than originally budgeted to fund forecast 2022/23 capital expenditure. General Fund planned capital receipts is unchanged from Q1. Changes in HRA planned utilisation reflect planned increase in the use of Right to Buy receipts.

Table 13 – Q2 forecast full year capital receipts utilisation

	2022/23	Q1	Q2	variance to
	budget	forecast	Forecast	budget
	£m	£m	£m	£m
Waste & Recycling collections	0.0	0.1	0.1	0.1
Montagu Industrial Estate	3.6	0.0	0.0	(3.6)
Meridian One	0.0	1.0	1.0	1.0
HRA	22.8	13.0	27.4	4.6
	26.4	14.1	28.5	2.1

110. Montagu Industrial Estate – a review of the financial model is in progress, which will support negotiations with the Council’s joint venture partner. A capital receipt of around £3m is expected from GBN (waste recycling operator) assuming successful relocation of waste recycling operator. The timing and final value of capital receipt is dependent on the outcome of ongoing financial modelling and negotiations with the JV and waste recycling operator.

111. Meridian One £1.0m assumed capital receipt has been received this year and will be applied as financing for the Meridian Water capital programme spend.

112. HRA - details available in the separate HRA report on the agenda KD5498. HRA capital receipts include use of around £12m Right to Buy receipts already received.

Section 106 / CIL

113. Table 14 below summarises s106 and Community Infrastructure Levy (CIL) utilisation currently assumed in the 2022/23 capital programme. This is broken down into £0.6m s106 contributions and £1.3m CIL.

Table 14: Q2 forecast full year s106 and CIL utilisation

	2022/23	Q1	Q2	variance to
	budget	Forecast	forecast	budget
	£m	£m	£m	£m
Energetik	0.2	0.2	0.2	0.0
Libraries	0.1	0.1	0.1	(0.0)
Healthy Streets	1.0	1.0	0.6	(0.4)
Highways & Street Scene	0.1	0.2	0.2	0.1
Dugdale coffee shop	0.8	0.8	0.8	0.0
	2.2	2.3	1.9	(0.3)

114. Q2 changes include correction to approved s106 contributions allocated as funding for Enfield Chase restoration and the proposed reprofiling of approved s106 contributions for Liveable Neighbourhood Enfield Town to 2023/24.
115. Much of the planned S106 spending will be focused on small-scale improvement works to directly mitigate the impact of development. This includes:
- supporting supply chains, apprenticeships and local employment opportunities (through the Build Enfield programme)
 - improvements to cycle lanes and routes
 - highway and streetscape improvement schemes as part of the healthy streets' agenda
 - school expansion schemes that will serve borough-wide needs including the specialist provision.
116. CIL spending is decided on an annual basis. Spending is allocated to support infrastructure projects that are in line with the priorities set out the capital programme.

Revenue contributions to capital spend

117. Budget originally assumed £0.4m revenue budget would fund capital spend. This assumption has now been entirely removed from the capital programme. Original budget assumed £0.3m revenue budget funding for vehicle replacement programme. This was changed to prudential borrowing in Q1, in line with the rest of the vehicle replacement programme.
118. Alley gating is a rolling £0.1m annual programme to work with residents and communities to secure alleyways at the rear of properties, funded historically from annual revenue contributions. The service is proposed to be removed or reduced to minimum. Both the current 2022/23 and proposed 2023/24 – 2032/33 10 year capital budgets are reduced accordingly.

Table 15 – Q2 forecast full year revenue contributions to finance capital spend

	2022/23	Q1	Q2	Variance to
	Budget	forecast	forecast	budget
	£m	£m	£m	£m
Alley Gating	0.1	0.1	0.0	(0.1)
Vehicle replacement programme	0.3	0.0	0.0	(0.3)
	0.4	0.1	0.0	(0.4)

Flexible use of capital receipts

119. The Medium Term Financial Plan budgeted for the use of £3.4m capital receipts to fund the revenue costs of transformation projects in 2022/23. As at Q2 the Council is forecasting that £2.5m of this budget will be needed to fund spend in 2022/23. This is forecast spend that, in accordance with MHCLG statutory guidance (updated 2 August 2022), will generate ongoing savings for the Council.

Planned spend is on projects included in the Flexible Use of Capital Receipts Strategy approved by Council in February 2022.

120. The £2.5m forecast spend on transformation projects will be funded from unearmarked capital receipts accumulated in previous years. These receipts are from 'qualifying disposals' that were generated in the period for which the direction applies.
121. The Council has £3.8m unutilised capital receipts brought forward from previous year, and a further £0.5m general capital receipts are forecast to be received by 31 March 2023 (total £4.4m forecast unearmarked capital receipts by 31 March 2023). Net residual unearmarked capital receipts of £1.8m (after planned 2022/23 utilisation) is forecast to be carried forward into future years.

Capital funding available to fund future years capital spend

122. The council will continue to review measures to identify and maximise the use of non-borrowing capital funding during Q3.
123. This includes reviewing s106 contributions and CIL received but not yet allocated as well as projections of future contributions over the medium term.
124. Capital grants received but not yet spent will also be reviewed to ensure there are clear strategies for efficient utilisation of this funding within the 10 year capital programme 2023/24 to 2032/33 – in particular with respect to capital investment to potentially mitigate revenue pressures over the medium term.
125. Capital receipts review – including forecast of general fund capital receipts and Right to Buy receipts.

Other Considerations to Note

Public Health Implications

126. 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 residents' wellbeing.

Environmental and Climate Change Considerations

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

Financial Implications

128. There are no direct financial implications for noting in this report.

Legal Implications

129. 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.

Property Implications

130. Property implications are implicit in the report

Conclusions

131. Delivery of the 2022/23 capital programme is impacted by global external factors including the aftermath of the Covid19 pandemic, economic impact of the war in Ukraine, disruption of global supply chains, soaring inflation and significant recent increases in borrowing interest rates. These factors have required the Council to re-evaluate the affordability and deliverability of projects in its capital programme. Capital projects have been reconfigured, re-tendered or delayed, particularly where they are funded from prudential borrowing. This has resulted in a Q2 forecast capital outturn of £302.8m in comparison with budget of £486.4m. The Q2 outturn estimate is likely to further change in Period 8.

132. This has had an impact on the level of additional borrowing the Council expects to require in 2022/23, which has reduced from £254.7m (budget) to £169.1m (Q2 forecast). This is especially important given recent increases in borrowing interest rates, which will impact revenue budgets in 2022/23.

133. Significant capital budget is proposed to be reprofiled from 2022/23 to later years, subject to confirmation that the spend is required to deliver approved planned spend and Council approval.

134. Work is ongoing within Financial Services to fully review and identify opportunities to maximise the use of non-borrowing capital funding sources, including capital receipts, capital grants, s106 contributions and CIL.

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Appendices :

Appendix A 2022/23 Q2 capital programme forecast outturn

Appendix B 2022/23 Q2 capital programme forecast outturn financing

Appendix C 2022/23 Q2 borrowing forecast

Appendix D 2022/23 Q2 grants utilisation forecast

Background papers:

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

Capital Outturn 2021/22 (KD5464)

Appendix A: 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend at 30 Sep
	£m	£m	£m	£m	£m
IT Investment	17.1	11.7	11.4	(5.7)	0.2
Digital Data & Technology	17.1	11.7	11.4	(5.7)	0.2
Libraries	0.1	0.1	0.1	0.0	0.0
Community Hubs	0.3	0.3	0.3	0.0	0.0
Customer Experience & Change	0.4	0.4	0.4	0.0	0.0
RESOURCES	17.5	12.1	11.7	(5.7)	0.2
Schools Maintenance	16.6	8.0	5.8	(10.8)	1.2
Strategic Schools Places Programme	17.0	8.2	8.2	(8.8)	2.3
Education	33.5	16.2	14.0	(19.5)	3.5
Extensions to Foster Carers' Homes	0.4	0.1	0.1	(0.3)	0.0
Community Safety	0.3	0.3	0.3	0.0	0.0
Vulnerable Families	0.2	0.2	0.2	0.0	0.0
Children & Families	0.8	0.6	0.5	(0.3)	0.0
PEOPLE	34.4	16.7	14.5	(19.9)	3.5
Alley Gating	0.1	0.1	0.0	(0.1)	-
Edmonton Cemetery	0.6	0.6	0.6	(0.0)	0.4
Southgate Cemetery	0.0	0.0	0.1	0.1	0.0
Sloemans Farm	0.2	0.2	0.1	(0.2)	0.0
Workshops for External Commercialisation	0.3	0.3	0.3	-	-
Flood Alleviation	0.5	0.5	0.5	(0.0)	0.4
Highways & Street Scene	9.1	9.7	9.9	0.8	2.5
Changes to Waste & Recycling Collections	-	0.1	0.1	0.1	0.1
Growth of Trade Waste Service	0.5	0.5	0.1	(0.5)	-
Tennis Courts Works at Broomfield Park	0.2	0.2	0.2	-	0.0
Vehicle Replacement Programme	5.5	2.5	1.7	(3.8)	0.9
Healthy Streets	10.5	7.1	5.8	(4.7)	1.2
Traffic & Transportation	0.9	0.7	0.4	(0.5)	0.0
Environment & Operations	28.4	22.6	19.7	(8.8)	5.5

Appendix A: 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend
	£m	£m	£m	£m	£m
Meridian One	21.2	21.2	25.6	4.4	5.8
Meridian Two	3.0	3.0	3.0	-	0.1
Meridian Three	0.4	0.4	0.4	-	0.0
Meridian Three and Meridian Four (50/50)	1.9	1.9	1.3	(0.6)	0.0
Meridian Four	12.2	7.0	1.7	(10.6)	0.4
Meridian Five	0.1	0.1	0.1	(0.1)	0.0
Meridian Seven	0.1	0.0	0.1	-	-
Meridian Eight	0.1	0.1	-	(0.1)	-
Meridian Nine	0.1	0.1	-	(0.1)	-
Meridian Ten	0.5	0.5	0.5	-	0.0
Meridian Eleven	-	-	0.1	0.1	-
Meridian Water Scheme-wide	35.7	31.8	21.7	(14.0)	2.1
Meridian Water HIF	81.7	23.5	19.4	(62.4)	3.3
Meridian Water	157.0	89.6	73.7	(83.3)	11.8
Build the Change	14.4	14.0	7.5	(6.9)	4.6
Corporate Condition Programme	5.4	5.4	4.1	(1.3)	0.8
Corporate Property Investment Programme	3.6	2.3	0.9	(2.7)	0.0
Dugdale Coffee Shop	1.5	1.5	1.5	-	0.0
Electric Quarter	1.5	1.5	1.5	-	0.6
Energy Decarbonisation (RE:FIT)	1.3	1.3	1.3	-	1.1
Genotin Road (Metaswitch)	(0.8)	0.5	0.5	1.3	-
Land Investment	7.5	-	-	(7.5)	-
Montagu Industrial Estate	6.5	1.5	1.5	(5.0)	0.1
Tottenham Park Cemetery	0.5	0.5	-	(0.5)	-
Town Centre Regeneration	2.6	2.6	2.6	-	0.7
Property & Economy	44.1	31.2	21.4	(22.6)	7.9
Housing Adaptations & Assistance (DFG)	2.4	2.7	2.7	0.3	0.7
Vacant Property Review	0.5	0.5	0.2	(0.3)	-
Housing & Regeneration	2.9	3.2	2.9	(0.0)	0.7
PLACE (excluding HRA)	232.4	146.5	117.6	(114.9)	25.9
GENERAL FUND (Excluding Companies)	284.1	175.1	143.8	(140.2)	29.6
Energetik	21.7	25.1	21.6	(0.1)	14.5
Housing Gateway Ltd	46.3	33.3	12.0	(34.2)	-

COMPANIES	68.0	58.4	33.6	(34.3)	14.5
TOTAL GENERAL FUND	352.2	233.7	177.6	(174.6)	44.1

Appendix A 2022/23 Q2 capital programme forecast outturn

	Budget	Q1	Q2	Variance to Budget	Actual spend
	£m	£m	£m	£m	£m
Development Programme	22.5	9.3	50.1	27.6	3.2
Bury Street	10.7	10.7	10.7	-	5.6
Electric Quarter	1.3	1.3	1.3	0.0	0.4
Joyce & Snells	6.0	6.7	6.7	0.7	0.4
Development Programme	73.7	52.6	81.6	7.9	12.1
Alma Towers	5.7	3.1	3.1	(2.6)	0.3
Ladderswood	0.2	0.1	0.1	(0.1)	-
New Avenue	0.4	0.3	0.3	(0.0)	-
Estate Regeneration	6.3	3.5	3.5	(2.7)	0.3
Building Safety	26.3	16.8	14.1	(12.2)	3.9
Decency	17.4	17.9	17.1	(0.3)	7.8
Energy Efficiency	4.9	3.2	4.5	(0.4)	0.6
Overheads & other investment	1.7	1.4	1.8	0.1	0.7
Statutory Compliance	3.9	3.0	2.6	(1.3)	1.2
Other HRA	54.2	42.2	40.0	(14.2)	14.2
TOTAL HRA	134.2	98.3	125.1	(9.1)	26.7
TOTAL CAPITAL PROGRAMME	486.4	332.0	302.8	(183.6)	70.8

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
IT Investment	11.4	-	-	-	-	-	-	11.4	11.4
Digital Data & Technology	11.4	-	-	-	-	-	-	11.4	11.4
Libraries	0.1	-	0.1	-	-	-	-	0.0	0.1
Community Hubs	0.3	-	-	-	-	-	-	0.3	0.3
Customer Experience & Change	0.4	-	0.1	-	-	-	-	0.3	0.4
RESOURCES	11.7	-	0.1	-	-	-	-	11.7	11.7
Schools Maintenance	5.8	5.8	-	-	-	-	-	-	5.8
Strategic Schools Places Programme	8.2	8.2	-	-	-	-	-	-	8.2
Education	14.0	14.0	-	-	-	-	-	-	14.0
Extensions to Foster Carers' Homes	0.1	-	-	-	-	-	-	0.1	0.1
Community Safety	0.3	0.0	-	-	-	-	-	0.2	0.3
Vulnerable Families	0.2	-	-	-	-	-	-	0.2	0.2
Children & Families	0.5	0.0	-	-	-	-	-	0.5	0.5
PEOPLE	14.5	14.2	-	-	-	-	-	0.5	14.5
Edmonton Cemetery	0.6	-	-	-	-	-	-	0.6	0.6
Southgate Cemetery	0.1	-	-	-	-	-	-	0.1	0.1
Sloemans Farm	0.1	-	-	-	-	-	-	0.1	0.1
Workshops for External Commercialisation	0.3	-	-	-	-	-	-	0.3	0.3
Flood Alleviation	0.5	0.2	-	-	-	-	-	0.3	0.5
Highways & Street Scene	9.9	0.6	0.2	-	-	-	-	9.1	9.9
Changes to Waste & Recycling Collections	0.1	-	-	-	0.1	-	-	-	0.1

Growth of Trade Waste Service	0.1	-	-	-	-	-	-	0.1	0.1
Tennis Courts Works at Broomfield Park	0.2	0.1	-	-	-	-	-	0.1	0.2

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Vehicle Replacement Programme	1.7	-	-	-	-	-	-	1.7	1.7
Healthy Streets	5.8	4.1	0.6	-	-	-	-	1.1	5.8
Traffic & Transportation	0.4	0.4	-	-	-	-	-	-	0.4
Environment & Operations	19.7	5.7	0.8	0.0	0.1	-	-	13.1	19.7
Meridian One	25.6	-	-	-	1.0	-	-	24.6	25.6
Meridian Two	3.0	-	-	-	-	-	-	3.0	3.0
Meridian Three	0.4	-	-	-	-	-	-	0.4	0.4
Meridian Three and Meridian Four (50/50)	1.3	-	-	-	-	-	-	1.3	1.3
Meridian Four	1.7	-	-	-	-	-	-	1.7	1.7
Meridian Five	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Seven	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Ten	0.5	-	-	-	-	-	-	0.5	0.5
Meridian Eleven	0.1	-	-	-	-	-	-	0.1	0.1
Meridian Thirteen	0.0	-	-	-	-	-	-	0.0	0.0
Meridian Water Scheme-wide	21.7	-	-	-	-	-	-	21.7	21.7
Meridian Water HIF	19.4	19.4	-	-	-	-	-	-	19.4
Meridian Water	73.7	19.4	-	-	1.0	-	-	53.3	73.7
Broomfield House	-	-	-	-	-	-	-	-	-
Build the Change	7.5	-	-	-	-	-	-	7.5	7.5
Corporate Condition Programme	4.1	-	-	-	-	-	-	4.1	4.1
Corporate Property Investment	0.9	-	-	-	-	-	-	0.9	0.9

Programme									
Dugdale Coffee Shop	1.5	-	0.8	-	-	-	-	0.7	1.5

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
Electric Quarter	1.5	-	-	-	-	-	-	1.5	1.5
Energy Decarbonisation (RE:FIT)	1.3	1.3	-	-	-	-	-	-	1.3
Genotin Road (Metaswitch)	0.5	-	-	-	-	-	-	0.5	0.5
Land Investment	-	-	-	-	-	-	-	-	-
Montagu Industrial Estate	1.5	-	-	-	-	-	-	1.5	1.5
Town Centre Regeneration	2.6	0.7	-	-	-	-	-	2.0	2.6
Property & Economy	21.4	1.9	0.8	-	-	-	-	18.7	21.4
Housing Adaptations & Assistance (DFG)	2.7	2.7	-	-	-	-	-	-	2.7
Vacant Property Review	0.2	-	-	-	-	-	-	0.2	0.2
Housing & Regeneration	2.9	2.7	-	-	-	-	-	0.2	2.9
PLACE (excluding HRA)	117.6	29.3	1.8	0.0	1.1	-	-	85.4	117.6
GENERAL FUND (Exc Companies)	143.6	43.3	1.8	0.0	1.1	-	-	97.4	143.6
Energetik	21.6	0.4	0.2	-	-	-	-	21.0	21.6
Housing Gateway Ltd	12.0	1.9	-	-	-	-	-	10.2	12.0
COMPANIES	33.6	2.2	0.2	-	-	-	-	31.2	33.6
TOTAL GENERAL FUND	177.6	46.0	1.9	0.0	1.1	-	-	128.6	177.6

Appendix B: 2022/23 Q2 capital programme forecast outturn financing

	Q2 forecast	grant	s106 / CIL	RCCO	Usable capital receipts	Major repairs allowance	earmarked reserves	borrowing	total financing
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Development Programme	50.1	17.1	-	-	7.4	-	9.9	15.7	50.1
Development Programme: Bury Street	10.7	1.3	-	-	-	-	-	9.4	10.7
Development Programme: Electric Quarter	1.3	0.3	-	-	-	-	-	1.0	1.3
Development Programme - Joyce & Snells	6.7	-	-	-	1.0	-	1.6	4.1	6.7
Development Programme	81.6	29.7	-	-	8.3	-	11.8	31.7	81.6
Alma Towers	3.1	3.0	-	-	-	-	-	0.1	3.1
Ladderswood	0.1	-	-	-	-	-	-	0.1	0.1
New Avenue	0.3	-	-	-	-	-	0.0	0.3	0.3
Estate Regeneration	3.5	3.0	-	-	-	-	0.0	0.5	3.5
Building Safety	14.1	-	-	-	6.9	0.4	-	6.7	14.1
Decency	17.1	-	-	-	8.5	8.6	-	-	17.1
Energy Efficiency	4.5	0.5	-	-	1.8	0.8	-	1.5	4.5
Overheads & other investment	1.8	-	-	-	0.7	0.2	1.0	0.0	1.8
Statutory Compliance	2.6	-	-	-	1.2	1.4	-	0.0	2.6
Other HRA	40.0	0.5	-	-	19.0	11.3	1.0	8.2	40.0
TOTAL HRA	125.1	33.2	-	-	27.4	11.3	12.8	40.5	125.1
TOTAL CAPITAL PROGRAMME	302.8	79.2	1.9	0.0	28.5	11.3	12.8	169.1	302.8

Appendix C: 2022/23 Q2 borrowing forecast

	Budget	Q1 forecast	Q2 forecast	Variance to budget
	£m	£m	£m	£m
IT investment	17.1	11.7	11.4	(5.7)
Community Hubs	0.3	0.3	0.3	(0.0)
Resources	1.4	1.4	0.2	(1.2)
Extensions to Foster Carers' homes	0.4	0.1	0.1	(0.3)
Community Safety	0.2	0.2	0.2	0.0
People	0.6	0.3	0.3	(0.3)
Build the Change	14.4	14.0	7.5	(6.9)
Corporate condition programme	5.4	5.4	4.1	(1.3)
Corporate property investment programme	3.6	2.3	0.9	(2.7)
Dugdale Centre (coffee shop)	0.7	0.7	0.7	0.0
Electric Quarter	1.5	1.5	1.5	0.0
Genotin Road (Metaswitch)	(0.8)	0.5	0.5	1.3
Land investment	7.5	0.0	0.0	(7.5)
Montagu Industrial Estate	2.9	1.5	1.5	(1.4)
Tottenham Park Cemetery	0.5	0.5	0.0	(0.5)
Town centre regeneration	2.3	2.3	2.0	(0.3)
Property & Economy	38.0	28.7	18.7	(19.3)
Edmonton cemetery	0.6	0.6	0.6	0.0
Sloeman's Farm	0.0	0.2	0.1	0.1
Workshops for commercial externalisation	0.3	0.3	0.3	(0.1)
Flood alleviation	0.4	0.3	0.3	(0.1)
Highways & Street Scene	9.0	9.1	9.1	0.1

Trade waste	0.5	0.5	0.1	(0.5)
Broomfield Park tennis courts	0.1	0.1	0.1	0.0
Vehicle replacement programme	5.1	2.5	1.7	(3.4)

Appendix C: 2022/23 Q2 borrowing forecast

	Budget	Q1 forecast	Q2 forecast	Variance to budget
	£m	£m	£m	£m
Healthy Streets	1.3	1.1	0.8	(0.5)
Environment & Operations	17.3	14.7	13.0	(4.3)
Housing adaptations (DFG)	0.9	0.9	0.0	(0.9)
Empty Homes	0.5	0.5	0.2	(0.3)
Housing & Regeneration	1.4	1.4	0.2	(1.2)
Meridian One	12.6	20.2	24.6	12.0
Meridian Two	2.6	3.0	3.0	0.4
Meridian Three	0.2	0.4	0.4	0.2
Meridian Three and Meridian Four (50/50)	1.0	1.9	1.3	0.3
Meridian Four	7.3	7.0	1.7	(5.6)
Meridian Five	0.0	0.1	0.1	0.1
Meridian Seven	0.0	0.1	0.1	0.1
Meridian Ten	0.0	0.5	0.5	0.5
Meridian Scheme-wide	19.4	31.8	21.7	2.3
Meridian Water HIF	9.4	0.0	0.0	(9.4)
Meridian Water	52.5	65.0	53.3	0.8
Energetik	21.0	24.5	21.0	0.0
Housing Gateway Ltd	44.4	31.5	10.2	(34.2)
Companies	65.4	56.0	31.2	(34.2)
Contributions to Property (vulnerable families)	0.2	0.2	0.2	0.1
People	0.2	0.2	0.2	0.1
Total General Fund	192.7	178.3	128.5	(64.2)

Total HRA	61.6	51.9	40.5	(21.1)
Total	254.7	230.1	169.1	(85.6)

Appendix D: 2022/23 Q2 grants utilisation forecast

	Budget	Q1 forecast	Q2 forecast	Budget variance	Grant funding body
	£m	£m	£m	£m	
Schools maintenance	16.5	7.9	5.8	(10.7)	DFES school condition grant
Strategic schools places prog	17.0	8.2	8.2	(8.8)	DFES Basic Needs grant
People	33.5	16.1	14.0	(19.5)	
Flood alleviation	0.2	0.2	0.2	(0.0)	GLA
Highways & Street Scene	0.0	0.4	0.4	0.4	TfL grant
Highways & Street Scene	0.0	0.0	0.2	0.2	Local London grant
Broomfield Park tennis courts	0.1	0.1	0.1	0.0	London Marathon Charitable Trust
Healthy Streets	8.2	5.1	4.4	(3.8)	TfL grant
Traffic & Transportation	0.9	0.7	0.4	(0.5)	TfL grant
Environment & Operations	9.4	6.5	5.7	(3.7)	
Energy decarbonisation (RE:FIT)	1.3	1.3	1.3	(0.0)	BEIS PS Decarbonisation Scheme
Town Centre Regeneration	0.4	0.4	0.7	0.3	Good Growth Fund
Property & Economy	1.7	1.7	1.9	0.2	
Housing adaptations (DFG)	1.5	1.8	2.7	1.2	Better Care Fund
Housing & Regeneration	1.5	1.8	2.7	1.2	
Meridian Water Four	12.7	0.0	0.0	(12.7)	MHCLG Housing Infrastructure Fund
Meridian Water Scheme-wide	18.0	0.0	0.0	(18.0)	MHCLG Housing Infrastructure Fund
Meridian Water HIF	73.6	23.5	19.4	(54.2)	MHCLG Housing Infrastructure Fund
Meridian Water	104.3	23.5	19.4	(84.9)	
Energetik	0.4	0.4	0.4	(0.1)	BEIS Heat Networks Infrastructure Grant
Housing Gateway Ltd	1.9	1.9	1.9	(0.0)	MHCLG - Rough Sleepers Acc Programme
Companies	2.3	2.3	2.2	(0.1)	

Total General Fund	152.7	51.9	46.0	(106.7)	
Total HRA	20.2	18.3	33.2	13.0	
Total	172.9	70.2	79.2	(93.7)	