

## London Borough of Enfield

### Council

**Meeting Date: 23<sup>rd</sup> February 2023**

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**Subject:** Capital Strategy and Ten-Year Capital Programme 2023/24 to 2032/33

**Cabinet Member:** Councillor Tim Leaver

**Executive Director:** Fay Hammond, Executive Director - Resources

**Key Decision:** KD5502

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### Purpose of Report

1. The purpose of the report is to set out the 2023/24 Capital Strategy and 2023/24 to 2032/33 Ten Year Capital Programme.

### Proposals

2. Council is requested to approve the:
  - i. 2023/24 Capital Strategy as detailed in Appendix 1
  - ii. 2023/24 Capital Programme and note the 2024/25 to 2032/33 Ten Year Capital Programme as set out in Appendix 5c.
  - iii. 2023/24 Match funding and invest to save contingency of £2.75m (Para. 16)
  - iv. 2022/23 Budget carry forwards as detailed in Appendix 2
3. Delegate approval to drawdown from the Match funding /Invest to save contingency, to the Executive Director of Resources.

### Executive Summary

4. The Capital Strategy and Programme establish the budget framework and financial approvals for the Council's long-term investment in Enfield directed by the Corporate plan. The projects improve residents' lives by building homes and schools, improving streets and infrastructure, and creating modern workspaces for local businesses.
5. The development of the new ten-year programme has been particularly challenging due to the increase in interest rates and double-digit inflation. These factors have also impacted the delivery of the 2022/23 programme resulting in programmes being delayed and redesigned to ensure they remain affordable and deliver value for money.
6. The timely action taken by the Council during the last year and the development of the Capital Programme has ensured that despite rising

interest rates, the total revenue cost of the capital programme in 2023/24 remains the same as was estimated this time last year.

7. The original Revenue capital financing budgets in the 2022/23 – 2026/27 MTFP were £10m (i.e., £2m per year). As part of the Medium-Term Financial Strategy, the Capital Financing budgets have increased by £5.0m (£1m per year) from 2022/23 to 2023/24, with a further £2m added to 2023/24 only. This reduces reliance on reserves to finance the revenue cost of the capital programme and increases the Council's financial resilience. Table 3 summarises the position.
8. In addition, a further £5m Capital receipts, per annum from 2023/24-2027/28 has been built into the programme and will be used to reduce historic debt, if realised as forecast.
9. The development of the overall ten-year programme included a detailed review of all programmes, which resulted in delaying and in some cases reducing some of the rolling programmes funded through borrowing, whilst also maximising non-borrowing sources of funding.
10. Match funding budgets previously allocated to individual programmes have been centralised in a new Match Funding & Invest to Save Contingency. Drawdowns will be subject to EMT Budget review and Executive Director of Resources business case approval.
11. The rise in interest rates mean that there is an average £6.1m forecast gap between 2023/24 to 2027/28 in the revenue cost of the capital programme compared to MTFP budgets. The Capital Programme review will continue during 2023/24 to ensure its affordable in the long term. There is sufficient time to adapt the Capital Programme to the new economic environment.
12. This will include, commencing a wholesale review/ restructure of the Council's asset base, with the aim of right-sizing the Capital programme in the medium term. The primary purpose will be to ascertain how best existing Council assets can support future Capital investment ambitions. This will likely include the sale of low performing assets, with the capital receipts re-invested to both paying off historic debt and the creation of new assets.
13. There are also a number of planned Strategic reviews and business case /financial model refreshes, to ensure individual projects still remain affordable and deliverable within existing budgets. Each update will be subject to the relevant governance. This includes Meridian Water and Montagu, both of which are subject to financial model updates. Reports will be submitted to Cabinet in coming months.
14. Out of the £380m capital programme budget for 2023/24, £140m (37%) is funded by borrowing. i.e., during 2023, for every £1 borrowed for the Capital Programme, a further £1.7m is funded from other sources (e.g., grants, S106/ CIL).
15. Reporting on a rolling ten-year basis facilitates the Council's longer term understanding of the impact of the capital investment being made on the levels of borrowing and Revenue budgets reported as part of the 5-year medium term and ten-year treasury strategy. However, the focus of the new

ten-year programme has been on the medium term i.e., 3-5 years due to the uncertainty regarding interest rates and Inflation.

### **Relevance to the Council Plan**

16. The aim of the Ten-Year Capital Programme is to set out the Council's investment plans in the context of the approved Capital Strategy which in turn is informed by the Council's strategic objectives as detailed in the new 2023-26 Enfield Council Plan, which is a separate item on the meeting agenda.
17. The Capital programme provides the financial framework to deliver the capital investment associated with the Council Plan. Planned outcomes from the Capital programme which support delivery of the 5 specific Council plan priorities, are summarised below
  - Clean and Green places
    - a. Creating new wetlands and rain gardens to reduce flooding
    - b. Improvements to pedestrian and cycling infrastructure to enable active and low carbon travel
    - c. Using local suppliers to maintain our streets network
    - d. Replacing aged vehicles with electric and lower emission vehicles
  - Strong, healthy, and safe communities
    - a. New multi-faith burial ground
    - b. Adapting residents homes to enable them to stay in their home for longer as they age
  - Thriving children and young people
    - a. Investing in the provision of additional SEND places
    - b. Maintenance of Schools
  - More and Better Homes
    - a. Delivering programme of 3,500 council-led homes for local residents
    - b. Building new infrastructure at Meridian water to unlock previously developed land for housing and jobs
    - c. Investing in council housing refurbishment to deliver decent, safe, and well insulated homes
  - An Economy that works for everyone
    - a. Redevelopment of Montagu industrial estate, to provide 250 new jobs and modern employment facilities
    - b. Using local suppliers and contractors for the refurbishment and end-of-life replacement of council operational properties,
    - c. Invest in improvements to our town centres

### **Background**

18. This report is seeking approval for the 2023/24 Capital Programme and to note years 2024/25 to 2032/33 of the ten-year Capital Programme.

19. The Capital programme is set within the context of the Council's 2023/24 Capital Strategy, which links the investment plans to the Council's strategic objectives.
20. The overall programme remains very ambitious, with significant investment in regeneration, building homes and modernising Council services.
21. This is against the most challenging economic environment of the last decade. The combined impact of Brexit, Covid19 and the war in Ukraine has placed unprecedented strain on supply chains and labour resulting in significant increases in construction costs. This has been exacerbated by the sharp increase in Interest rates and inflation during 2022/23. As a result, the entire Capital programme will continue to be reviewed in 2023/24. This includes reviewing funding sources and considering pausing or re-engineering programmes to ensure they remain affordable. Historically a range of indicators have been used to assess the affordability and viability of individual programme, including the introduction of a self-imposed £2bn borrowing cap (2023/24 forecast £1.42bn; peak debt forecast for 2032/33 £1.68bn). However due to the factors described above, the overriding indicator for the 2023/24 ten-year programme has been affordability. This has been measured in terms of adequate revenue budgets to pay interest and repay existing and planned borrowing.
22. The increasing interest rates means historic and new debt is more expensive to service, impacting the financial viability of programmes reliant on borrowing.
23. Work is ongoing with service managers to ascertain how programmes funded by borrowing can be re-engineered to ensure borrowing is limited and other sources of funding maximised. A review of rolling programmes commenced during 2022/23, focused on the largest programmes, with the process continuing during 2023/24

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

24. This section of the report details the Capital Programme over the next ten years, sources of financing and how the proposed capital investment will support the delivery of the Council's five key priorities detailed in the new 2023-26 Council plan.
25. Table 1 details the proposed programme by Department

**Table 1: Proposed ten-year capital programme summary – by Department**

|           | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29-2032/33</b> | <b>Total</b> |
|-----------|----------------|----------------|----------------|----------------|----------------|------------------------|--------------|
|           | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>              | <b>£m</b>    |
| Resources | 13.5           | 12.5           | 8.9            | 4.2            | 3.0            | 10.4                   | <b>52.5</b>  |
| People    | 26.5           | 12.5           | 5.7            | 5.7            | 5.7            | 28.6                   | <b>84.7</b>  |

|                                      |              |              |              |              |             |              |                |
|--------------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|----------------|
| Place                                | 71.8         | 35.4         | 30.4         | 17.1         | 16.8        | 87.3         | <b>258.8</b>   |
| Meridian Water                       | 35.0         | 35.3         | 17.6         | 25.6         | 10.9        | 65.5         | <b>189.7</b>   |
| Meridian Water (HIF)                 | 69.4         | 63.8         | 2.1          | 1.3          | 0.0         | 0.0          | <b>136.8</b>   |
| Companies                            | 28.8         | 36.9         | 49.9         | 17.0         | 0.0         | 0.0          | <b>132.7</b>   |
| <b>General Fund</b>                  | <b>245.0</b> | <b>196.4</b> | <b>114.6</b> | <b>70.9</b>  | <b>36.4</b> | <b>191.8</b> | <b>855.0</b>   |
| <b>Housing Revenue Account (HRA)</b> | <b>134.6</b> | <b>128.2</b> | <b>92.3</b>  | <b>56.7</b>  | <b>64.4</b> | <b>469.8</b> | <b>945.0</b>   |
| <b>Proposed capital expenditure</b>  | <b>379.6</b> | <b>324.7</b> | <b>206.9</b> | <b>127.5</b> | <b>99.8</b> | <b>661.5</b> | <b>1,800.0</b> |

### Capital Programme Funding

26. The Capital programme is funded from several sources, each identified below. The reductions in Government funding and increase in interest rates have meant greater focus on how individual programmes are funded. The Council has agreed to undertake commercial projects, using wholly owned Council companies or through Joint Venture arrangements, to acquire assets for housing and regeneration that can fund the necessary borrowing, either by selling acquired assets at a profit or using annual income flows to meet capital financing such as interest and provision for borrowing repayment.
27. The Capital programme is funded from:
- i. Grants and External contributions
  - ii. S106 and Community Infrastructure Levy (CIL)
  - iii. Capital Receipts
  - iv. Earmarked Resources
  - v. Borrowing
28. Table 2 below provides an overview of how the ten-year programme will be funded with further details provided in subsequent paragraphs.

**Table 2 Proposed 10-Year capital programme funding summary**

|                 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29-2032/33 | Total        |
|-----------------|---------|---------|---------|---------|---------|-----------------|--------------|
|                 | £m      | £m      | £m      | £m      | £m      | £m              | £m           |
| External Grants | 106.7   | 84.0    | 13.6    | 12.8    | 11.5    | 57.5            | <b>286.1</b> |
| S106            | 0.6     | 0.4     | 0.4     | 0.5     | 0.5     | 2.3             | <b>4.6</b>   |

|   |              |              |              |              |             |              |                |
|---|--------------|--------------|--------------|--------------|-------------|--------------|----------------|
| CIL                                       | 1.4          | 1.5          | 1.5          | 0.2          | 0.2         | 1.0          | <b>5.8</b>     |
| Capital Receipts                          | 41.4         | 7.5          | 16.3         | 0.0          | 0.0         | 0.0          | <b>65.3</b>    |
| Borrowing                                 | 94.9         | 103.1        | 82.8         | 57.3         | 24.3        | 131.0        | <b>493.3</b>   |
| <b>General Fund</b>                       | <b>245.0</b> | <b>196.4</b> | <b>114.6</b> | <b>70.8</b>  | <b>36.4</b> | <b>191.9</b> | <b>855.0</b>   |
| External Grants                           | 47.1         | 5.45         | 65.7         | 11.2         | 0.8         | 147.9        | <b>278.2</b>   |
| Capital Receipts (inc RTB)                | 27.6         | 40.9         | 12.7         | 25.9         | 38.2        | 74.4         | <b>219.7</b>   |
| Major Repairs Allowance (MRA)             | 12.3         | 13.9         | 13.8         | 14.6         | 15.4        | 68.5         | <b>138.5</b>   |
| Earmarked reserves                        | 2.6          | -            | -            | -            | -           | -            | <b>2.6</b>     |
| Borrowing                                 | 45.0         | 68.0         | -            | 5.0          | 9.0         | 179.0        | <b>306.0</b>   |
| <b>HRA</b>                                | <b>134.6</b> | <b>128.2</b> | <b>92.3</b>  | <b>56.7</b>  | <b>63.4</b> | <b>469.8</b> | <b>945.0</b>   |
| <b>Proposed capital programme funding</b> | <b>379.6</b> | <b>324.7</b> | <b>206.9</b> | <b>127.5</b> | <b>99.8</b> | <b>661.5</b> | <b>1,800.0</b> |

### Capital Programme Affordability

29. The key metric used to measure the affordability of the new ten-year capital programme has been the availability of Revenue capital financing budgets. The impact of increased interest rates has meant the current programme rolled forward as was, was unaffordable
30. A detailed review of the programme was undertaken to ensure all other sources of funding were maximised and where possible, a number of rolling programmes were delayed or scaled back. Also, a new approval process for carry forwards was introduced to ensure only those carry forwards required to complete work that had commenced, were approved.

### Borrowing position and Minimum Revenue Provision (MRP)

31. Where the Council finances capital expenditure by debt, it must set aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.
32. The Department for Levelling Up, Housing and Communities (DLUHC) guidance requires local authorities to approve an Annual MRP Statement each year. The Treasury Management Strategy is approved annually, which

includes the MRP Policy. This is set out in Appendix C of the 2023/24 Treasury Management Strategy Statement.

33. The broad aim of the DLUHC guidance, is to ensure capital expenditure is financed over a period that is reasonably commensurate with that, over which the capital expenditure provides benefits.
34. The approved 2023/24 Capital Strategy includes an estimate of the borrowing requirement over the next ten years. This provides an estimated position, at the conclusion of the Council's main regeneration programmes. However, the budgets currently included in the ten-year programme for the Meridian Water and Montagu programmes, are being refreshed, with reports being presented to Cabinet in future months, at which point the budgets will be updated.
35. Table 3 below shows the total General Fund revenue cost of the Capital programme is expected to be £32.4m in 2023/24. This consists of £12.7m interest and £19.7m MRP. Any revenue budget pressures will be met from the Capital Financing Reserves (Interest Risk Reserve and the MRP Smoothing Reserve).
36. The total 2023/24 Revenue capital financing budget is £28.6m, however a revenue budget pressure of £3.8m is created if the programme is delivered in full. The revenue budget pressure will be met from the Capital Financing Reserves (Interest Risk Reserve and the MRP Smoothing Reserve). The opening value of the Capital Financing Reserves (Interest Rate Reserve; and MRP Equalisation Smoothing Reserve) on 1<sup>st</sup> April 2022 was £23.4m. This excludes any transfers that will happen as part of the 2022/23-year end closure.
37. Modelling a scenario, where 70% of the capital programme is delivered results in a revised forecast budget pressure of £2.3m. However, this assumes that the 30% is permanently removed from the programme.

**Table 3: Ten-year projection of interest & MRP Charges**

|   | 2023/<br>24 | 2024/<br>25 | 2025/<br>26 | 2026/<br>27 | 2027/<br>28 | 2028/<br>29 | 2029/<br>30 | 2030/<br>31 | 2031/<br>32 | 2032/<br>33 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          |
| <b>Gross Interest</b>                       | 41.6        | 48.0        | 53.3        | 55.4        | 56.1        | 56.4        | 57.2        | 59.5        | 62.4        | 64.1        |
| Debt Fees                                   | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.0         | 0.1         | 0.1         | 0.1         |
| <b>Total Debt Cost</b>                      | <b>41.7</b> | <b>48.1</b> | <b>53.4</b> | <b>55.5</b> | <b>56.2</b> | <b>56.5</b> | <b>57.2</b> | <b>59.6</b> | <b>62.5</b> | <b>64.1</b> |
| <b>Recharges/<br/>Income:</b>               |             |             |             |             |             |             |             |             |             |             |
| Investment Income                           | (1.0)       | (1.5)       | (1.1)       | (1.1)       | (1.1)       | (1.1)       | (1.1)       | (1.1)       | (1.1)       | (1.1)       |
| Meridian Water                              | (8.7)       | (9.1)       | (8.3)       | (7.7)       | (6.2)       | (6.3)       | (6.1)       | (5.9)       | (5.9)       | (5.8)       |
| Companies                                   | (4.9)       | (6.0)       | (7.7)       | (8.9)       | (9.5)       | (9.3)       | (9.2)       | (9.0)       | (8.9)       | (10.0)      |
| HRA   | (14.2)      | (17.3)      | (17.3)      | (17.5)      | (17.9)      | (18.3)      | (18.2)      | (22.1)      | (23.4)      | (25.1)      |
| Schools                                     | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       | (0.1)       |
| <b>Interest charged<br/>to General Fund</b> | <b>12.7</b> | <b>14.1</b> | <b>18.8</b> | <b>20.1</b> | <b>21.3</b> | <b>21.3</b> | <b>22.4</b> | <b>21.3</b> | <b>23.1</b> | <b>22.0</b> |

|  |             |             |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| MRP  | 19.7        | 20.3        | 23.6        | 26.1        | 26.9        | 25.8        | 24.1        | 22.6        | 21.9        | 21.9        |
| <b>Total Financing Cost Charged to Gen. Fund</b>             | <b>32.4</b> | <b>34.4</b> | <b>42.4</b> | <b>46.2</b> | <b>48.2</b> | <b>47.1</b> | <b>46.5</b> | <b>43.9</b> | <b>45.0</b> | <b>43.9</b> |
| <b>Budget</b>  | 28.6        | 31.6        | 34.6        | 37.6        | 40.6        | 42.6        | 44.6        | 46.6        | 48.6        | 50.6        |
| <b>Variance</b>  | 3.8         | 2.8         | 7.9         | 8.6         | 7.6         | 4.5         | 1.9         | (2.8)       | (3.6)       | (6.7)       |
| <b>Adjustment - 70 % spend scenario</b>                      | 30.9        | 31.5        | 38.6        | 41.6        | 43.3        | 42.3        | 42.3        | 40.2        | 41.7        | 40.6        |
| <b>Variance expected (based on previous actual delivery)</b> | 2.3         | (0.1)       | 4.0         | 4.1         | 2.8         | (0.3)       | (2.3)       | (6.4)       | (6.9)       | (9.9)       |

38. Table 4a details the Council's Capital Financing Requirement (CFR), i.e., the underlying need to borrow to fund the capital programme. The total forecast borrowing requirement at year ten is £1.68bn, which remains below the Council's self-imposed borrowing cap of £2.00bn.
39. External borrowing in year ten of the Capital programme has changed from £1.794bn in the current ten-year programme (KD5353) to £1.678bn as detailed in Table 4a below, a change of £116.8m. The key drivers of the change in external debt are:
- Assumption that Joyce & Snells will initially be funded from the HRA, therefore a reduction in borrowing in the General Fund of (£52.4m)
  - Changes in capital programme debt requirement of £29.8m relating to Meridian Water, Companies, General Fund and HRA programmes.
  - Changes in General Fund MRP of (£47.3m) due to a change in the way MRP is charged on rolling programmes and multiyear projects. Historically the Council calculated rolling programme's MRP charges at the end of the ten-year programme. However, a more prudent approach is now being adopted, whereby MRP is charged a year after the budget is spent. The same applies for multiyear projects. The change results in debt being paid back earlier. Further information is available in the MRP policy contained in the 2023/24 Treasury management strategy.

**Table 4a: Council's Capital Financing Requirement and Borrowing Projections**

|                        | 2023/24        | 2024/25        | 2025/26        | 2026/27        | 2027/28        | 2028/29<br>-<br>2032/33 |
|------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
|                        | £m             | £m             | £m             | £m             | £m             | £m                      |
| General Fund CFR       | 1,133.7        | 1,214.9        | 1,272.1        | 1,300.3        | 1,294.1        | 1,288.7                 |
| HRA CFR                | 351.2          | 419.2          | 419.2          | 424.2          | 433.2          | 594.8                   |
| <b>Total Loans CFR</b> | <b>1,484.9</b> | <b>1,634.1</b> | <b>1,691.3</b> | <b>1,724.5</b> | <b>1,727.3</b> | <b>1,883.5</b>          |
| PFI Liability          | 22.1           | 17.7           | 13.8           | 10.7           | 7.5            | 0.0                     |
| <b>Total CFR</b>       | <b>1,507.0</b> | <b>1,651.7</b> | <b>1,705.1</b> | <b>1,735.2</b> | <b>1,734.8</b> | <b>1,883.5</b>          |



|                           |                |                |                |                |                |                |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Less Internal Borrowing   | (83.8)         | (166.7)        | (192.2)        | (216.0)        | (212.8)        | (205.3)        |
| <b>External Borrowing</b> | <b>1,423.2</b> | <b>1,485.0</b> | <b>1,512.9</b> | <b>1,519.2</b> | <b>1,522.0</b> | <b>1,678.1</b> |

40. Table 4b below details the Ratio of Financing Costs to Net Revenue, which is a Prudential Indicator. It compares the total financing costs to the Council's net revenue streams, i.e., council tax, business rates and general Government grants. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

**Table 4b – Prudential Indicator**

| <b>Prudential indicator: Ratio of Financing Costs to Net Revenue</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29-2032/33</b> |
|--|----------------|----------------|----------------|----------------|----------------|------------------------|
| <b>General Fund (GF)</b>   | <b>£'m</b>     | <b>£'m</b>     | <b>£'m</b>     | <b>£'m</b>     | <b>£'m</b>     | <b>£'m</b>             |
| Total GF Financing Costs (MRP & Interest)                            | 32.4           | 34.3           | 42.4           | 46.2           | 48.2           | 226.3                  |
| Net Revenue Budget   | 260.5          | 273.6          | 286.6          | 300.4          | 304.1          | 1,576.0                |
| Proportion of Net Revenue Stream                                     | 12.4%          | 12.5%          | 14.8%          | 15.4%          | 15.8%          | 14.4%                  |
| <b>Housing Revenue Account (HRA)</b>                                 |                |                |                |                |                |                        |
| Total HRA Financing Costs (Interest)                                 | 14.2           | 17.3           | 17.3           | 17.5           | 17.9           | 107.1                  |
| Net HRA Revenue Budget   | 69.8           | 76.6           | 79.1           | 82.3           | 84.8           | 468.4                  |
| Proportion of Net Revenue Stream                                     | 20.4%          | 22.6%          | 21.9%          | 21.3%          | 21.2%          | 22.9%                  |

### **External Sources – Grants and Contributions**

41. The Council has already been notified of some of the grant allocations that can be expected to be received in 2023/24. It is anticipated additional capital grant allocations will be announced in-year, including the outcome of submitted bids. Any further grant allocations that become available during 2023/24, will be included in the relevant quarterly capital monitoring report to Cabinet. It is possible some funding is earmarked for spending on specific Government priorities, rather than local priorities.
42. Capital grants, whilst also not repayable tend to be quite specific in how they can be used and are received for specific projects. The provider, i.e., the Government, external agencies, or private company, will normally have a specific output or outcome that must be achieved, through the capital works the Council undertakes.

43. The Council has been allocated £1.17m by the UK Prosperity Fund. £180k was granted during 2022/23, of which £160k was allocated to supporting the refurbishment of the Dugdale centre. A further £1m is potentially available (2023/24 -£200k, 2024/25 £800k). Once confirmation is received the Capital programme will be updated accordingly. Existing projects funded by borrowing which meet the required criteria will be prioritised.
44. Where actual capital grant and contributions are less than those expected, the ten-year capital programme will be reduced and revised at the earliest opportunity and reported within the respective period capital monitoring report.
45. Table 5a details external grants and contributions funding for the programme and Table 5b provides further information on the status of each grant.



|  | 2023/24       | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | Total         |
|--|---------------|--------------|--------------|--------------|--------------|---------------------|---------------|
|  | £m            | £m           | £m           | £m           | £m           | £m                  | £m            |
| Meridian Water (HIF)                       | 69.38         | 63.84        | 2.08         | 1.34         | -            | -                   | <b>136.64</b> |
| <b>Meridian Water</b>                      | <b>69.38</b>  | <b>63.84</b> | <b>2.08</b>  | <b>1.34</b>  | -            | -                   | <b>136.64</b> |
| <b>PLACE (inc. MW)</b>                     | <b>80.70</b>  | <b>71.77</b> | <b>8.23</b>  | <b>7.49</b>  | <b>6.15</b>  | <b>30.75</b>        | <b>205.08</b> |
| <b>GENERAL FUND</b>                        | <b>106.69</b> | <b>83.95</b> | <b>13.58</b> | <b>12.84</b> | <b>11.50</b> | <b>57.50</b>        | <b>286.06</b> |
| Development Programme                      | 44.55         | 5.04         | 64.97        | 11.21        | 0.83         | 147.89              | <b>274.48</b> |
| Estate Regeneration                        | 2.55          | 0.41         | 0.76         | -            | -            | -                   | <b>3.72</b>   |
| Building Safety                            | -             | -            | -            | -            | -            | -                   | -             |
| Decency                                    | -             | -            | -            | -            | -            | -                   | -             |
| Other                                      | -             | -            | -            | -            | -            | -                   | -             |
| <b>HRA</b>                                 | <b>47.10</b>  | <b>5.45</b>  | <b>65.73</b> | <b>11.21</b> | <b>0.82</b>  | <b>147.89</b>       | <b>278.20</b> |
| <b>External grants &amp; contributions</b> | <b>153.79</b> | <b>89.40</b> | <b>79.31</b> | <b>24.05</b> | <b>12.33</b> | <b>205.39</b>       | <b>564.25</b> |

46. The table above excludes the UK Shared Prosperity Fund (UKSPF) capital allocation of circa £1m for 2023/24 and 2024/25, as it has not been allocated to individual projects yet. This will be updated as part of the 2023/24 Capital monitoring cycle.

**Table 5b - Grant status information**

| <b>Programme</b>                   | <b>Grant provider</b>  | <b>grant confirmed</b> | <b>grant assumed</b> | <b>ten-year total</b> |
|------------------------------------|--|------------------------|----------------------|-----------------------|
|                                    |  | <b>£m</b>              | <b>£m</b>            | <b>£m</b>             |
| Mental Health & Wellbeing Centre   | DoH and Better Care Fund   | 3.20                   | 0.00                 | 3.20                  |
| Strategic Schools Places Programme | DfE – basic need grant and SEND  | 19.60                  | 0.00                 | 19.60                 |
| Schools Maintenance                | DfE – school condition grant   | 8.18                   | 50.00                | 58.18                 |
| Watercourses (flood alleviation)   | Environment Agency, GLA, Forestry Commission and various third parties | 0.00                   | 1.91                 | 1.91                  |
| Highways – fibre ducting           | Local London Grant   | 0.80                   | 0.00                 | 0.80                  |



|                                 |             |             |             |             |             |             |             |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Flood alleviation               | 0.18        | 0.25        | 0.25        | 0.25        | 0.25        | 1.25        | <b>2.43</b> |
| Journey & Places                | 0.35        | 0.20        | 0.20        | 0.20        | 0.20        | 1.00        | <b>2.15</b> |
| Town Centre Regeneration        | 0.06        | -           | -           | -           | -           | -           | <b>0.06</b> |
| <b>General fund</b>             | <b>0.59</b> | <b>0.45</b> | <b>0.45</b> | <b>0.45</b> | <b>0.45</b> | <b>2.25</b> | <b>4.64</b> |
| HRA                             | -           | -           | -           | -           | -           | -           | -           |
| <b>Planned s106 utilisation</b> | <b>0.59</b> | <b>0.45</b> | <b>0.45</b> | <b>0.45</b> | <b>0.45</b> | <b>2.25</b> | <b>4.64</b> |

### Community Infrastructure Levy (CIL)

50. The Community Infrastructure Levy (CIL) is a charge on development to help fund infrastructure such as transport schemes and schools which the Council, local community and neighbourhoods require to help accommodate new growth from development. The available CIL receipts to fund the 2023/24 programme is approximately £60k. The receipts are allocated during the financial year and will be used to substitute borrowing as appropriate.
51. Table 6b details the value of CIL financing that is funding the capital programme over the ten-year capital programme horizon, which amounts to £5.75m. All CIL funding shown has been approved by the Strategic Planning Board (SPB).

**Table 6b: CIL Funding**

|                          | 2023/24     | 2024/25     | 2025/26     | 2026/27     | 2027/28     | 2028/29<br>-<br>2032/33 | Total       |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------------------|-------------|
|                          | £m          | £m          | £m          | £m          | £m          | £m                      | £m          |
| Flood alleviation        | 0.06        | -           | -           | -           | -           | -                       | <b>0.06</b> |
| Journey & Places         | 1.27        | 1.47        | 1.47        | 0.20        | 0.20        | 1.0                     | <b>5.61</b> |
| Town Centre Regeneration | 0.08        | -           | -           | -           | -           | -                       | <b>0.08</b> |
| <b>General fund</b>      | <b>1.41</b> | <b>1.47</b> | <b>1.47</b> | <b>0.20</b> | <b>0.20</b> | <b>1.0</b>              | <b>5.75</b> |

|                                |             |             |             |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| HRA                            | -           | -           | -           | -           | -           | -           | -           |
| <b>Planned CIL utilisation</b> | <b>1.41</b> | <b>1.47</b> | <b>1.47</b> | <b>0.20</b> | <b>0.20</b> | <b>1.00</b> | <b>5.75</b> |

### S106 and CIL Balances at Period 8

52. Table 6c summaries the current S.106 and Community Infrastructure Levy (CIL) receipts as at period 8 (November) 2022/23. S106 and CIL balances are administered by the Council's Planning department and accounted for by Corporate Finance. The balances are held in an earmarked reserve.
53. CIL balances are Strategic CIL balances only. They exclude Neighbourhood CIL reserve, which is ringfenced to neighbourhood schemes.

**Table 6c: Section 106 and CIL income as at 30<sup>th</sup> November 2022**

| Section 106 and CIL income as at 30 <sup>th</sup> November 2022 | S106 Balance as at P8 | Strategic CIL Balance as at Period 8 |
|---|-----------------------|--------------------------------------|
|   | £m                    | £m                                   |
| <b>Opening Balance 2022/23</b>                                  | <b>(6.54)</b>         | <b>(5.51)</b>                        |
| In-Year Receipts 2022/23  | (1.11)                | (1.02)                               |
| Approved – Capital 2022/23                                      | 0.88                  | 1.07                                 |
| <b>Indicative closing balance 2022/23</b>                       | <b>(6.77)</b>         | <b>(5.46)</b>                        |
| <b>Capital 10-year programme - approved</b>                     |                       |                                      |
| Flood alleviation   | 0.18                  | 0.06                                 |
| Journey & Places  | 0.00                  | 3.81                                 |
| Town Centre Regeneration  | 0.06                  | 0.00                                 |
|   | <b>0.24</b>           | <b>3.87</b>                          |
| <b>Capital 10-year programme - assumed</b>                      |                       |                                      |
| Flood alleviation   | 2.25                  | 0.00                                 |
| Journey & Places  | 2.15                  | 1.80                                 |
| Town Centre Regeneration  | 0.00                  | 0.08                                 |
|   | <b>4.40</b>           | <b>1.88</b>                          |
| <b>S106 / CIL funding assumed in 10-year capital programme</b>  | <b>4.64</b>           | <b>5.75</b>                          |

### Capital receipts/Asset Disposals

54. When a capital asset is no longer needed, it may be sold so that the proceeds; known as capital receipts, can be spent acquiring new assets or repaying debt. Councils are permitted to spend capital receipts on revenue service transformation projects on the proviso these can be shown to generate long term cost savings. This flexibility was originally till 31 March 2022 but has been extended to 31 March 2025. Due to the pressures on Revenue capital financing budgets, a strategic review of the Council's assets will commence during 2023/24, with the aim of ascertaining how the Council's assets can best support, the Capital programme ambitions in future years.

|  |         |         |         |         |         |                         |       |
|--|---------|---------|---------|---------|---------|-------------------------|-------|
|  | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29<br>-<br>2032/33 | Total |
|--|---------|---------|---------|---------|---------|-------------------------|-------|



|   | £m           | £m           | £m           | £m           | £m           | £m           | £m            |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Montagu   | 32.16        | 7.43         | 0.18         | -            | -            | -            | <b>39.76</b>  |
| Meridian Water                                      | 8.92         | -            | -            | -            | -            | -            | <b>8.92</b>   |
| *Build the Change - Disposal of Claverings          | -            | -            | 15.00        | -            | -            | -            | <b>15.00</b>  |
| Sloeman's Farm                                      | 0.33         | 0.06         | 1.15         | 0.04         | -            | -            | <b>1.58</b>   |
| <b>General Fund</b>                                 | <b>41.41</b> | <b>7.49</b>  | <b>16.33</b> | <b>0.04</b>  | -            | -            | <b>65.26</b>  |
| Right to Buy (RTB) receipts                         | 8.26         | 7.65         | 4.76         | 4.70         | 7.43         | 7.91         | <b>40.71</b>  |
| HRA capital receipts                                | 19.38        | 33.23        | 7.95         | 21.19        | 30.77        | 66.48        | <b>179.01</b> |
| <b>HRA</b>  | <b>27.64</b> | <b>40.88</b> | <b>12.71</b> | <b>25.89</b> | <b>38.20</b> | <b>74.39</b> | <b>219.72</b> |
| <b>Capital receipts assumed in 10 yr. programme</b> | <b>69.05</b> | <b>48.37</b> | <b>29.04</b> | <b>25.93</b> | <b>38.20</b> | <b>74.39</b> | <b>284.98</b> |
| <b>**Target additional future capital receipts</b>  | <b>5.00</b>  | <b>5.00</b>  | <b>5.00</b>  | <b>5.00</b>  | <b>5.00</b>  | -            | <b>25.00</b>  |
| <b>Total</b>  | <b>74.05</b> | <b>53.37</b> | <b>34.04</b> | <b>30.93</b> | <b>43.20</b> | <b>74.39</b> | <b>309.98</b> |

#### 55. Table 7 – Capital Receipts

\*The disposal of Claverings was approved at part of the Build the change programme (KD5280-21.04.21).

\*\* The Target additional future capital receipts will be used to reduce historic debt and will be monitored during the year

56. The ten-year capital programme has £291.67m of useable capital receipts financing the programme. This equates to 16.2% of total financing. The figures in the table are estimates. Actual disposal proceeds will be based on relevant valuation at point of disposal

#### Local authority capital finance framework: planned improvements

57. In July 2021, Ministry of Housing Communities and Local Government published a policy paper on the current framework for Capital investment in Local authorities. The current framework is based on the Prudential code, for which they have overall responsibility. The paper sets out the department's plan for strengthening the current system, whilst maintaining Council local decision making. One of the objectives is to ensure the risks

associated with Local authorities' commercial investments are adequately managed.

58. The document proposes a 'lines of control model'
  - i. First line of control – is the scrutiny of local authority activity. This happens through the required reporting to government bodies
  - ii. Second line of control - deals with the system of control within individual local authorities
  - iii. Third line of control is the Prudential framework
59. The document does not provide timescales for progressing the work within the policy document, stating only 'we will engage with the sector and key stakeholders on our individual proposals as we take them forward.' At the time of writing this report further information had not been issued
60. Any further updates or changes will be captured as part of the 2023/24 Quarterly monitoring report

### **Capital Programme Outcomes**

61. The proposed Capital Programme underpinned by the Capital strategy contributes to achievement of the Council's five strategic objectives as detailed in the 2023-2026 Enfield Council Plan. The main departmental outcomes are summarised below.
62. As the Capital Programme grows the Council is focussing on maximising income from external sources as well as entering formal arrangements with external commercial organisations to limit the need to take on additional borrowing.

### **Manifesto Pledges**

63. There were 41 election manifesto pledges made by the controlling party in the May-22 local elections to be delivered over the next 4 years. Approximately half have a capital investment requirement, of which 1 has been completed, the provision of free replacement wheelie bins. Of the rest, 4 are currently progressing, with the remaining pledges either in the feasibility stage, awaiting a decision on grant funding applications or subject to an assessment of whether they are eligible for S106 or CIL funding. Further information is provided on the key pledges below
  - i. Introduction of 200 additional mobile fly tipping cameras - The existing Community safety programme has an annual budget of £150k, which will fund the installation of 14 fixed CCTV cameras, which are a combination of new and replacement cameras. The programme will be reviewed in the future to look at options for the delivery of the additional cameras.
  - ii. Creation of fifty additional school streets - Twelve new school streets were delivered in 2022/23 with 2 more dependent on changes to permit policy. The 2023/24 Journey and Places programme is £7.45m and will deliver 10 additional school streets across the borough, funded by a combination of TFL grant, S106 and CIL. Any additional school streets are subject to successful application of grant funding.

- iii. Provision of additional outdoor gyms. Potential sites have been identified, with cost estimates and funding options being explored. There is a possibility this could be funded from Neighbourhood CIL. The existing Parks and playground budget has been increased from £0.40m to £0.75m in 2023/24, which will support the delivery of replacement play equipment and resurfacing works various parks across the borough.

## **Outcomes by Department**

### **Place (Excluding HRA & Meridian Water - £258.84m over ten years)**

64. This section provides an overview of forecast outcomes for the main programmes in the department, focussing on 2023/24
65. **Build the Change: (£19.04m)** The programme will provide modernised office space across three locations with accessible facilities, collaborative working areas to facilitate new ways of working and storage facilities including bicycles to promote the Council's decarbonisation policies. In 2023/24 work on designs for the Civic Centre to improve accessibility, security, and reconfiguration of floors 1 to 5 will be finalised, enabling procurement of a main contractor to deliver the works.
66. **Highways and Street scene: (£66.17m).** The programme will, in 2023/24, enable approximately 4km (2.5miles) of roads to be resurfaced and 2.5km (1.5 miles) of pavements to be renewed with an additional 18,000 individual smaller defective areas on the highway network to be repaired as part of Enfield's overall highway maintenance programme. Approximately 500 new trees will be planted, some of which will replace previously removed dead and decaying trees. Other works include smaller bridge maintenance schemes and continuing the programme of constructing sustainable drainage schemes, including rain gardens and wetlands, which attract external funding.
67. **Journey and Places: (formerly Healthy Streets) (£42.80m)** is anticipating a budget in the region of £7.4m for 2023/24, much of this is TfL grant funding, the levels of which are not yet confirmed. Outcomes will fall into the following categories:
  - i. Neighbourhoods: this will include progression of the School Street programme, more residential cycle hangars and a continuation of the Quieter Neighbourhood programme, with the intention to deliver more Low Traffic Neighbourhoods. 14 schools streets have already been completed, the 2023/24 budget aims to deliver 10 new school streets and any future schools streets from 2024/25 onwards are dependent on availability of funding.
  - ii. Walking & Cycling: the continued expansion of the walking and cycling network across the borough. There will be a combination of further design at various stages of the project lifecycle for future schemes, with selected areas of build, subject to funding levels.
  - iii. Town Centres: the primary focus will be to progress the Enfield Town Liveable Neighbourhoods project, to include detailed design of the entire scheme, coupled with commencing the build on early aspects of the project using the secured CIL funding.

- iv. Communications and Engagement: in addition to the use of external grant revenue funding to host activities and events, there will also be engagement activity as part of the delivery of capital projects, with a range of conversations taking place with the community.
68. **Corporate Condition Programme: (£25.04m)**
69. The purpose of the CCP is to fund the planned replacement or substantial repair of major building components including, but not limited to, heating boilers, lifts, building structures and flat roofs necessary to ensure the operational continuity of Council services. Planned works for 2023/24 include:
- i. Urgent health and safety works identified from health and safety audits - £82k
  - ii. Asbestos abatement and remedial works - £120k
  - iii. Public safety works across various sites - £617k
  - iv. Equalities works - £850k
  - v. Staff Safety works - £489k
  - vi. Sustainability works across various sites - £651k
70. **Montagu Industrial estate: (£49.76m)** – Phase 1 became operational in November 2021, with the remaining budget allocated for land assembly. Following changes in the economic environment a review of the scheme is in progress which includes an options appraisal, the results of which will be reported to Cabinet later in the year, with a recommendation on how to proceed. Options being considered include the relocation of the waste recycling and concrete manufacturing plant at the centre of the site, as well as curtailment of further investment.
71. **Flood Alleviation (including Water courses) (£6.29m)**. The programme is funded from a combination of Council borrowing and external grants from the Environment Agency, GLA, Forestry Commission and other third parties. Over the next ten years, the construction of an estimated 10-15 wetlands schemes, 100's of small sustainable drainage features, such as rain gardens and the continued delivery of the Council's Natural Flood Management programme, is planned. These measures include urban greening, parkland improvements, rewilding, river restoration and woodland creation that deliver a wide range of additional non-flood benefits related to biodiversity, climate adaptation and public health and wellbeing. The works will be delivered alongside and closely integrated with the Highways and Street Scene programme.
72. **Vehicle Replacement: (£14.92m)**. The planned vehicle replacement programme will continue in 2023/24, with approximately 50 existing vehicles and items of plant due for replacement in line with the planned programme, to ensure the revenue costs of running older vehicles are minimised. Other work includes the continued expansion of the Council's electric vehicle charging infrastructure. Where possible electric vehicles will be the first consideration

**Meridian Water: (£326.32m)**

73. The programme has entered the delivery stage with development agreements signed, construction work now underway on one site and construction taking place across multiple sites from 2023/24. Below is a summary of the key outputs by phase:
- Meridian One: In contract for a further 94 Council retained homes bringing the total homes in contract to 181. General – Resolution to grant planning obtained for a further 677 homes. Phase B starting on site with 677 homes. Completions expected from March 2023 to September 2027.
  - Meridian Two: pending Housing Infrastructure Fund (HIF) progress, in contract for 274 homes (to be retained by Metropolitan Thames Housing Association), 3000sqm of commercial space retained by the Council by March 2023, works then likely to start on site in April 2023.
  - Meridian Three: bring forward circa 50 homes and 500 bed purpose-built student accommodation scheme for development or land disposal. Expected to go to market in 2023/24.
  - Meridian Four: Alternative delivery options are now being considered; no further works will be commissioned until a decision on the delivery model is finalised.
  - HIF Road: All design to be completed; pre-construction activities. Street works start on site. Timing pending DLUHC funding decision.
  - HIF Rail: Commencing the construction works, GRIP 5/GRIP 6.
  - Meridian Five: No further project spend until clarification on HIF/SIW is received.

#### **People - £85.1m over ten years**

74. **Education services – (£77.8m)** - forecast to spend an estimated £40.3m over the next three years to deliver a programme of school's capital maintenance projects, including the increase of Special Educational Needs (SEND) school places and the landlord responsibility for such maintenance works on roofs, windows, and services.
75. Projects to provide additional SEND school places are being progressed across several schools and include:
- i. Fern House rebuild and expansion, which is under construction and ready for occupation in May 2023. Further contractual capital spend is anticipated during 2023/24 to facilitate building and services commissioning.
  - ii. Winchmore secondary school - Sixth Form and Autistic Unit which is in final stages of design and early stages of procurement with planned completion towards the end of 2023/24.
  - iii. Oaktree special school - Extension and remodelling of the existing school which is early stages of design with planned phased completion in summer 2023 and summer 2024.
76. Further planned projects for increasing SEND places will be presented for approval during 2023/24.

77. Through the Schools Capital Programme, the People department will continue to carry out the Council's Corporate Landlord responsibility in maintaining school buildings and implement strategies to improve the school estate. In the short to medium term, the focus will continue to be providing places for vulnerable children requiring specialist care in the Special Education Needs Sector.
78. The Schools' capital programme is entirely funded from Central Government Grants and Section 106 Developer contributions
79. Mental Health and well-being (**£3.2m**) – Cabinet approval will be sought for the project in March 2023, at which point further information will be available

**Resources: £52.5m over ten years**

80. **Digital Services : (£52.5m)** The Council's investments in Digital Services (DS) are to enable the Council to deliver its objectives underpinned by the guiding principles detailed in the Corporate plan. The programme will deliver 59 prioritised projects, including End user computing. These will be delivered across multiple years as reflected in KD5573, approved by Cabinet in January 2023.
81. The investment in DS will enable smarter working, improved efficiencies and Digital Inclusion, communication with Enfield's residents and support budget savings through increasing cost effectiveness.

**Companies: £132.66m over ten years**

82. **Housing Gateway Limited (HGL): £90.53m)**
83. HGL forecasts purchasing and renovating 26 properties during 2023/24. Since the interest rate changes in September 22, HGL has not been able to place offers on properties as they are not financially viable. The prediction for 2023/24 purchases relies on the property market and interest rates falling to a point where it becomes financially viable to purchase again. As the average properties takes 6 months to move from offer accepted to completion, this forecast is based on placing offers in Q1 & Q2 and completing on properties in Q3 & Q4. HGL will also be investigating the possibility of drawing in grant funding via a similar process as was used in the GLA Rough Sleeping project
84. HGL will also deliver a programme of major works at Brickfield House and Greenway House as well as start a programme of minor decarbonisation works across suitable properties within its portfolio
85. **Energetik: (£42.12m)** - Key deliverables include
  - i. Complete the Phase 1 build of the Meridian Water Heat Network, specifically the energy centre and pipe network from the energy centre to Meridian One.
  - ii. Extension of the Meridian Water Heat Network to Fore Street/Grove Street
  - iii. Extension of the Meridian Water Heat Network to Edmonton Green
  - iv. Extension of the Meridian Water Heat Network to Ponders End to interconnect to the Ponders End Heat Network.

**Safeguarding Implications**

86. The capital programme will not adversely affect safeguarding of children or adults in the Borough and the schemes will be formulated to ensure the Authority discharges its statutory safeguarding obligations.
87. Suppliers are expected to take all reasonable steps to ensure human trafficking and modern slavery are not taking place in any of their supply chains or operations; including compliance with the Modern Slavery Act 2015, wherever it applies. Suppliers are also expected to have a whistleblowing policy which enables staff to raise suspicions of unlawful and unethical practices, including modern slavery and exploitation.

### **Public Health Implications**

88. The Capital programme seeks to improve the health and well-being of the public in Enfield. Improving the housing and environment in which our residents live is a key means to address wider determinants of health and narrow health inequalities.
89. The Capital programmes focus on climate change helps to mitigate this major threat to public health. Council activities that promote forms of active travel and sustainable heating will help to lower local greenhouse gas emissions and air pollution. These will lead to improvements in health of residents and the environment in the long run.

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

90. The Capital Programme supports the delivery of high-quality Council services that promote equality and value diversity.

### **91. Environmental and Climate Change Considerations**

92. These are included in the body of the report as relevant

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

93. The table below sets out key risks together with mitigations which can be implemented

#### **Risk**

1. Grant availability and risk of withdrawal if key conditions/deadlines not met.

#### **Mitigation**

Reporting of variations which will impact on grant and deployment of counter measures to ensure utilisation of grant maximised together with engagement of grant providers to re-negotiate delivery horizons where possible

- |   |  |
|---|--|
| 2. Delays in schemes and impact on grant awards and income targets          | <p>Prioritise securing external funding sources to spread construction risk in return for sharing of income e.g., Meridian Four external investment for private rented residential units.</p> <p>Tactical engagement and cultivation of key relationships in Government and Agencies to raise profile of increasing costs hence need for continued grant support to contribute to stated local objectives and wider Government priorities.</p> |
| 3. Macro-economic factors including Impact of rising Interest and Inflation | <p>Continue monitoring of key indicators (inflation, interest rates, supply chain intelligence, legislation) supplemented with external advice to ensure MTFP updated to reflect significant changes.</p> <p>More detailed monitoring of capital programme cashflows and programme delivery to ensure value for money is achieved across key programmes</p>  |

### **Financial Implications**

94. The Section 151 Officer is required to keep under review the financial position of the Authority. The Capital Programme supports the discharge of this duty, the revenue implications of the Capital Programme proposed have been incorporated into the Medium-Term Financial Plan.

### **Legal Implications**

95. 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.
96. The Capital Strategy is a requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required by regulation to have regard to both codes when carrying out its duties under Part 1 of the Local Government Act 2003. It is noted that this report has been produced in accordance with those requirements.
97. The Council is required as a best value authority under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. In this regard, the Council will need to ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk, and the impact and potential impact on the authority's overall fiscal sustainability.
98. The Council is also required to act in accordance with the Public Sector Equality Duty under section 149 of the Equality Act 2010 and have due regard to this when carrying out its functions. It is noted that an equality



impact assessment has been conducted and this should be kept under review in adopting the recommendations arising from this report.

#### **99. Workforce Implications**

100. Where staff resource is required to support the Council's Capital Programme, this will be required for specified time periods in line with programme requirements and timescales. Restructure reports will be required to create any new posts or new team structures identified as being required to deliver the Capital Programme. Restructure reports will require HR implications advising on Council policy and statutory obligations in relation to staffing, in addition to the finance cost estimates included. Any changes to the programme will seek additional HR & Finance implications

#### **Property Implications**

101. Whilst a number of capital projects mentioned within this report have property implications, these will have been highlighted in the relevant report that authorised the project. As such, this report in itself does not have any direct property implications

#### **Options Considered**

102. The Ten-year capital programme and overarching capital strategy have been developed using a range of metrics, however the key consideration has been affordability in terms of availability of Revenue Capital financing budgets.

103. A complete and robust consideration of all options has therefore been embedded in the development and refresh of the capital programme with input from a multi-disciplinary Capital Finance Board.

#### **Conclusions**

104. The proposed capital programme is submitted for approval as set out in the recommendations at the start of this report.

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#### **Appendices**

Further detailed analysis of the ten-year capital programme is included in the Appendices to this report:

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### **Background Papers**

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

Treasury Management Strategy 2023/24 (KD5504)  
Medium Term Financial Plan (MTFP) 2023/24 to 2027/28 (KD5484)  
HRA Business Plan and 2023/24 Rent Setting Report (KD5503)

## APPENDICES

### Appendix 1 – 2023/24 Capital Strategy



# London Borough of Enfield Capital Strategy 2023/24

## Introduction

- 1) The CIPFA Prudential Code requires all Councils to have an approved annual capital strategy.
- 2) The capital strategy is integrated with the Medium-Term Financial Plan (MTFP) and Treasury Management Strategy to ensure full account is taken of revenue implications and restrictions on capital funding resources. This includes ensuring the financial implications of the ten-year capital programme, i.e., the Minimum Revenue Provision (MRP) (the notional repayment of principal on loans) and debt financing costs (interest) are incorporated into the MTFP and the Ten-Year Treasury Management Strategy.
- 3) The capital strategy includes a full assessment of the Council's current position – including acute risks arising from current economic conditions, legislative environment, financial resilience, capital financing resources and governance framework. It considers the Council's response to these risks in its 2023/24 to 2032/33 ten-year capital programme.
- 4) The capital strategy sets out the financial framework for development, management and governance of a detailed ten year capital programme (2023/24 to 2032/33) consisting of capital projects that are affordable, with a level of risk commensurate with the Council's risk appetite, and that demonstrably support the delivery of core objectives in the Enfield Council Plan 2023-26 and other key Council strategies (including the Climate Action Plan and Housing & Growth Strategy).
- 5) It seeks to provide an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services and delivery of the Enfield Council Plan 2023-26, along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 6) It sets out a framework for prioritising individual programmes to ensure the programme remains affordable and does not exceed either the £2 billion self-imposed borrowing cap or any of the other affordability metrics set out in the strategy.

## Economic outlook

- 7) The local government sector is experiencing its most challenging period in living memory. The combined impacts of the Covid-19 pandemic, socio-demographic trends and the fiscal and economic environment have created significant risks to Councils, with a number having had to issue a Section 114 notice in the last 12 months: effectively a public declaration of bankruptcy.
- 8) The capital strategy outlines the Council's response to challenging economic conditions following the Covid-19 pandemic and the ongoing war in Ukraine. Inflation has been rising steadily over the last year. The Bank of England's Monetary Policy Committee (MPC) increased the base rate by 0.5% to 3.5% on 14<sup>th</sup> December 2022 to combat inflationary pressures with CPI at 10.7% in November (11.4% October). For context, the base rate

stood at 0.1% March 2020 and the next MPC is scheduled 2<sup>nd</sup> February 2023.

- 9) Although the MPC acknowledged the effects of earlier interest rate increases, price and wage pressures are expected to persist which will require further increases to interest rates in 2023, to bring CPI down to the 2% target in the medium term.
- 10) These factors have already had a direct impact on the Council's current capital programme and during 2022/23 a number of programmes have been paused and reviewed to ensure value for money, whilst the Council investigates alternative delivery models. The capital strategy will outline planned actions to mitigate inflation risk.

### Legislative environment

- 11) In light of the current economic climate described above and the aftermath of Covid19, the UK Government has begun looking in more detail at the finances of Local Government. There is growing focus on monitoring more closely the finances of Local Government, particularly Council borrowing levels and risk exposure on their capital investments.
- 12) A number of ongoing wider government consultations have been taken into consideration in developing the new 2023/24 - 2032/33 ten-year capital programme. The overall driver of these proposed changes have been to ensure Local Authorities' capital investment remains affordable and risks are adequately managed and mitigated. These include:
  - a) **Constraints on PWLB Borrowing** – implemented 26<sup>th</sup> November 2020, with guidance clarified 12<sup>th</sup> May 2022, access to PWLB lending for investment assets bought primarily for yield and non-negligible risk has been restricted to supplement existing principles in the prudential code. This has the effect of reinforcing the principle that Local Authorities should not enter into financial arrangements which serve no direct policy or treasury management purpose.
  - b) Borrowing to support service-based proposals, regeneration and housing continue to be permitted under the Prudential Code. In these instances, Local Authorities are advised to consider carefully whether these investments demonstrate value for money and are affordable.
  - c) **Minimum Revenue Provision (MRP) consultation** – The Council responded to the Government's consultation on proposed reforms to MRP which closed 8<sup>th</sup> February 2022. The Government announced proposed reforms, which could discount recognition of future capital receipts and tighten regulation on loan arrangements to subsidiaries. Since the proposals were announced the Government has indicated flexibilities may be introduced to mitigate the impact on Authorities as well as delaying implementation to April 2024. As at 6<sup>th</sup> January 2023 the Government was still in the process of reviewing consultation responses.
  - d) **DLUHC consultation** - The Levelling-Up and Regeneration Bill, published 11 May 2022, includes proposals to introduce new risk indicators to identify signs of financial distress in Local Authorities. Although not yet published the Council's Treasury advisors envisage

these will focus on the proportion and composition of debt, compared to financial resources (e.g., reserves, ability to raise tax revenues); proportion of asset base which are investment or commercial in nature (due to perceived volatility in this sector), and level of MRP in place. The Bill, which is in the House of Commons (3<sup>rd</sup> reading) and has yet to pass through the House of Lords before receiving Royal Assent, includes provisions for interventions by Government, where Local Authorities are seen to taking on excessive borrowing risk.

- e) **CIPFA Financial Management Code** – introduced to assist Local Authorities in demonstrating their financial sustainability. The Council is working towards full adoption of the CIPFA FM code. The recent CIPFA peer review identified a number of improvements mainly regarding the existing Finance system, which will be addressed with its planned replacement.

### **Treasury Management**

- 13) The Council's Treasury Management Strategy Statement sets out the way in which sufficient but not excessive cash balances will be maintained to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short term as revenue income is received before it is spent, but cash poor in the long term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 14) In accordance with the Treasury Management Strategy Statement, the Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves. All cash balances are invested with approved financial institutions with the aim of closing each day with a zero current bank balance ensuring all surplus cash is always appropriately invested
- 15) The Council's objective when investing money is to strike an appropriate balance between risk and return. Where balances are expected to be invested for more than a year, the Council will aim to achieve a return equal to or higher than inflation to maintain spending power.

### **Strategic aims for the capital programme**

- 16) The capital strategy (and 2023/24 to 2032/33 ten-year capital programme) is geared towards supporting delivery of the 2023-26 Enfield Council Plan, which focuses on five strategic outcomes.
- 17) In addition to the Enfield Council Plan, the new capital programme will also consider how best the Council's budget priorities and new administration's manifesto commitments can be delivered. This may require reprioritisation of projects already approved within the current ten-year capital programme. Further information is available in the body of the report

- 18) The Council is committed to investing in each of its corporate objectives. Examples of investment in some of the Council's programmes is provided below:



**Meridian One housing development – view from inside Meridian Water station**







**New mausolea and burial chambers – Edmonton cemetery and Southgate cemetery**



**Energetik – new Energy Centre and heat network installation**





First phase of Montagu Industrial Estate regeneration programme

### Development of the capital programme

- 19) The 2023/24 - 2032/33 ten-year programme has been developed against a challenging economic environment. The scale and ambition of the Council's capital programme exposes the Council to financial resilience risks through both the requirement to fund the programme through debt, and specific investment risks associated with projects. The Council is facing a number of financial pressures on its revenue budget. As such, it has become increasingly important to ensure the financing costs (debt principal repayment and interest) of the capital programme remain affordable.
- 20) In response to these acute risks, a range of actions were identified to help ensure the capital programme remains affordable. The actions are listed below, some of which started during the development of the detailed programme, others will commence during 2023/24. These include (but are not limited to):
- Testing the overall affordability of the 2023/24 to 2032/33 ten-year capital programme prior to seeking formal Council approval.
  - Review of high value capital projects in the current ten-year capital programme (particularly those reliant on significant levels of prudential borrowing) to determine whether there is scope to reprioritise delivery of these. In undertaking this exercise, the Council will ensure the full financial implications on the revenue budget (as well as strategic and political implications) are transparent and understood. This will continue during 2023/24
  - Ensure capital receipts and other non-borrowing sources of finances are monitored, with associated risks clearly mitigated.
  - Review apportionment methodology for the allocation of overheads to capital
  - Review alternative delivery vehicles (including new partnering opportunities)

- Maximise available resources by actively seeking appropriate external funding and disposal of surplus assets
- Ensuring adequacy of annual revenue budget to meet the costs of borrowing debt and interest payments.

## **Governance**

### **Role of Cabinet and Council**

- 21) Full Council approves the first year of the ten-year rolling Capital programme, on an annual basis, noting future years. The ten-year capital programme consists of both approved budgets and budget envelopes. The latter require further approval to spend. Depending on budget envelope value, this further approval is granted by either Cabinet, Cabinet member or as an Operational decision. For programmes less than £500k, Cabinet can choose to delegate this approval, and this should be evidenced by the Scheme of Delegation. Approval to spend must be based upon a robust business case, a clear understanding of the expected outcomes from the investment and full assessment of financial implications.

### **Role of the Capital Finance Board (CFB)**

- 22) The Capital Finance Board (CFB) is responsible for the overall financial management of the Council's General Fund and Housing Revenue Account (HRA) capital programmes, on behalf of the Executive Management Team (EMT).

## **Performance Management**

- 23) Once a capital project is approved, it forms part of the Council's approved capital programme which is monitored on a quarterly basis and is reported through to Cabinet. However, some of the more complex projects are monitored on a monthly basis.
- 24) Individual project managers / budget holders are responsible for submitting annual forecasts as part of the detailed quarterly budget monitoring. Individual returns are consolidated before being reviewed at Departmental Management Teams (DMT) meetings. These approved forecasts form the basis of the quarterly monitoring report, which is reviewed at CFB and discussed at EMT, before being presented to Cabinet and Council (as required to approve any amendments to the approved programme).
- 25) The Finance team act as the 'critical friend' during the monitoring cycle, by working with services to provide forecasts that are as accurate as possible, but also scrutinising and challenging unrealistic financial forecasts and requests for budget carry forwards. During 2023/24 there will be a greater focus on the delivery of milestones within agreed budgets, to ensure value for money can continue to be demonstrated.
- 26) The Capital programme is risk based at the start of the year based on factors including budget size, funding sources, grant conditions and the impact of external economic factors. This forms the basis for identifying those programmes which will be subject to at least one, high level CFB programme review. Responsible officers present a high-level project

overview regarding the project finances, delivery and any risks and mitigations. This is in addition to the regular monitoring described above

- 27) CFB also maintain and review a strategic capital programme risk register. The register will incorporate key risks from other strategic registers with potential material impact on the delivery of the programme. Major projects also have separate programme boards where the project finances are also reviewed

### **Other strategies relevant to the Capital strategy**

#### **Housing and Growth Strategy**

- 28) The Housing and growth strategy sets out the overarching vision and direction of the Council in relation to delivering housing growth
- 29) It also recognises the need to invest in Council housing and services, to improve the private rented sector and to ensure a wide range of housing products are provided
- 30) Two of the strategy's key objectives are to provide more affordable homes for local people and invest in Council homes. These objectives are key drivers for future investment and is reflected in the current programme, with £1.404bn forecast to be invested in supporting the delivery of 'more and better homes'

#### **Climate Action Plan 2020**

- 31) The Climate Action Plan 2020, set out the approach to working with staff, suppliers, residents, businesses, schools, statutory partners, and government to become a carbon neutral organisation by 2030 and create a carbon neutral borough by 2040.
- 32) The plan recognises that achieving carbon neutrality and tackling emissions across the borough will be hugely challenging given the budgetary pressures on local government. Identifying the need to look to the mayor, the government, and other sources of funding alongside our existing budget, in order to deliver the action that is needed.
- 33) Projects such as LED lighting and flood alleviation schemes, and investment in low carbon energy via Energetik support this Council strategic priority.

#### **Strategic Asset Management Plan**

- 34) The Council has a substantial corporate property portfolio, which comprises both operational properties (through which service delivery takes place) and investment properties (where income is derived to pay for the Council's services). Given the challenging financial position facing all local authorities, the Council must optimise the use of its operational assets so that the cost of holding property is only what it needs to be, whilst at the same time ensuring that the properties are repaired, maintained, and safe places to work
- 35) The Council's 'Build the Change' programme of office rationalisation was approved in 2019/20. The initial phase has seen an investment of £14m which has delivered a modern Housing hub in Edmonton Green and a Children's and families Hub at Thomas Hardy House. A further £16m has

recently been approved for the next phase, which will see significant capital investment in other Council buildings.

- 36) For other operational properties, investment in necessary lifecycle works is a continual activity and enabled via the Corporate Condition Programme where planned and preventative maintenance works identified through building condition survey data are carried out.
- 37) Investment properties are an important source of funding for Council services. Periodic investment is needed in them in order to optimise revenue returns and the investment value of the asset. For instance, the regeneration of the Montagu Industrial Estate through a Joint Venture with HBD has recently delivered Phase 1 comprising 59,000 sq. ft of new industrial space that is almost fully let at prime rents. Subsequent phases of the Montagu regeneration will see a further 350,000 sq. ft plus of new space developed

### **Economic climate - Risks and Mitigations**

- 38) The table below details the specific risks and mitigations which have the potential to impact the development and delivery of the ten-year programme

| <b>Risk</b>  | <b>Mitigation</b>   |
|--|---|
| Inflationary pressures impact programme delivery                                   | Appropriate levels of project contingency is included within key capital schemes. Budgets pending refreshed business cases will require further approval prior to commencing delivery.  |
| Breach of the £2bn borrowing cap   | The Council will continue to seek to minimise the extent of borrowing required to fund its capital programme.   |
| Grant reduction following commitment of expenditure                                | All grant funded projects will be kept under close review, with any risks highlighted in the quarterly monitoring report and options for other funding sources continually investigated.<br><br>A new section will be incorporated in the quarterly monitoring report which will collate updates from Programme managers on the status of any grants receivable |
| Changes to the timing /amount of Capital receipts assumed to finance the programme | A new section will be incorporated in the quarterly monitoring report which will collate updates from Programme managers on the status of any capital receipts  |
| Capital programme is in breach of updated /new legislation                         | The Council must ensure it is up to date and remains vigilant of potential changes in legislation and the potential impact on capital programmes  |
| Change in status of key Partners   | Careful monitoring of any agreements and prompt escalation to manage any identified risks   |
| Inadequate capacity to   | The Council will monitor this through its existing  |

deliver 2023/24 Capital Programme

governance structure of Programme Boards, the Strategic Delivery Board, with oversight from the Capital Finance Board and the Executive management team

### **Knowledge and Skills**

- 39) The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council supports staff to study towards relevant professional qualifications including CIPFA, as well as supporting attendance at Continuing Professional Development (CPD) events to increase general understanding of construction, project appraisal methods, as well as on the job coaching and mentoring.
- 40) When necessary, for example when specific skills are required, use is made of external advisers and consultants that are specialists in their field. This approach ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 41) The Council has full understanding of and continues to monitor developments in PWLB requirements – in particular, restrictions on when PWLB can be used.
- 42) Background Papers
  - a) Medium term Financial Plan
  - b) Treasury Management Strategy
  - c) Enfield Corporate Plan
  - d) Climate Action Plan 2020

## Appendix 2 - Requested carry forward of capital budget from 2022/23

|   | £m            | Justification for carry forward request   |
|---|---------------|---|
| IT investment                                 | 13.32         | In line with ICT investment report KD5573.  |
| <b>Resources</b>                              | <b>13.32</b>  |   |
| Montagu Industrial Estate                     | 5.67          | 2023/24 budget will be refreshed once financial modelling is complete. The proposed ten-year Montagu budget (including £5.67m carried forward) is £49.8m, of which £10m is funded from borrowing (remainder assumed capital receipts) |
| Vehicle replacement programme                 | 1.10          | Partially committed. Increased 23/24 capital budget to £2.4m, which is a realistic estimate of planned spend  |
| Growth of Trade Waste Service                 | 0.50          | Budget subsequently removed from 2023/24 programme, as part of budget setting   |
| Corporate condition programme                 | 0.46          | Spend committed   |
| Highways & Street Scene                       | 0.04          | Spend committed   |
| Town Centre Regeneration                      | 0.03          | Spend committed   |
| <b>Place (ex-Meridian Water)</b>              | <b>7.79</b>   |   |
| Journey & Places                              | 1.10          | Grant funded budget, subject to grant provider approval   |
| Housing adaptations & assistance (DFG)        | 0.70          | Grant funded budget   |
| Schools programme                             | 19.73         | Grant funded budget (a portion of this budget has subsequently been removed as part of 23/24 budget setting)  |
| <b>Grant funded (ex-Meridian Water)</b>       | <b>21.53</b>  |   |
| <b>Other schemes</b>                          |               |   |
| Meridian Water Scheme-wide                    | 11.00         | Earmarked to specific areas (including land purchase, waste mound removal, M1 programme, feasibility, and design). Borrowing funded budget, with no MRP or interest charged to revenue whilst asset is under construction             |
| Meridian Water HIF                            | 67.68         | Grant funded  |
| <b>Meridian Water</b>                         | <b>78.69</b>  |   |
| Housing Gateway Ltd                           | 34.25         | Companies bear revenue cost of borrowing  |
| Energetik                                     | 2.00          | Companies bear revenue cost of borrowing  |
| <b>Companies</b>                              | <b>36.25</b>  |   |
| <b>General Fund</b>                           | <b>157.59</b> |   |
|   |               |   |
| HRA   | 26.83         | Combination of schemes and funding, costs borne by HRA  |
| <b>Total carried forward budget requested</b> | <b>184.42</b> |   |



## Approved capital budgets in ten-year capital programme

### Appendix 3a - Approved capital budgets by Corporate Objective

|                                       | 2023/24       | 2024/25       | 2025/26       | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------------------|---------------|---------------|---------------|--------------|--------------|---------------------|-------------------|
|                                       | £m            | £m            | £m            | £m           | £m           | £m                  | £m                |
| Clean and Green Places                | 2.29          | 1.02          | 0.10          | 0.10         | 0.10         | 0.50                | 4.10              |
| Strong, healthy, and safe communities | 2.38          | 2.02          | 1.15          | 0.04         | 0.00         | 0.00                | 5.59              |
| Thriving children and young people    | 24.75         | 5.23          | 0.35          | 0.35         | 0.35         | 1.75                | 32.78             |
| More and Better Homes                 | 258.80        | 252.79        | 135.69        | 83.54        | 74.31        | 535.24              | 1,340.36          |
| An economy that works for everyone    | 63.23         | 27.66         | 16.10         | 4.20         | 3.00         | 10.40               | 124.58            |
| <b>Total</b>                          | <b>351.44</b> | <b>288.71</b> | <b>153.38</b> | <b>88.23</b> | <b>77.76</b> | <b>547.89</b>       | <b>1,507.41</b>   |

### Appendix 3b - Approved capital budgets by Directorate

|                                | 2023/24       | 2024/25       | 2025/26       | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------------------|---------------|---------------|---------------|--------------|--------------|---------------------|-------------------|
|                                | £m            | £m            | £m            | £m           | £m           | £m                  | £m                |
| Resources                      | 13.50         | 12.50         | 8.90          | 4.20         | 3.00         | 10.40               | 52.50             |
| People                         | 26.00         | 7.18          | 0.35          | 0.35         | 0.35         | 1.75                | 35.98             |
| Place                          | 53.15         | 16.24         | 8.45          | 0.14         | 0.10         | 0.50                | 78.57             |
| Place – Meridian Water         | 104.40        | 99.06         | 19.65         | 26.87        | 10.87        | 65.47               | 326.32            |
| Companies                      | 19.78         | 25.48         | 23.76         | 0.00         | 0.00         | 0.00                | 69.01             |
| <b>General Fund</b>            | <b>216.82</b> | <b>160.46</b> | <b>61.11</b>  | <b>31.56</b> | <b>14.32</b> | <b>78.12</b>        | <b>562.38</b>     |
| Development Programme          | 69.66         | 77.13         | 74.93         | 36.39        | 46.49        | 372.24              | 676.84            |
| Estate Regeneration            | 4.97          | 1.12          | 0.76          | 0.63         | 0.00         | 0.00                | 7.47              |
| Building Safety                | 29.83         | 13.52         | 13.15         | 2.50         | 0.00         | 0.00                | 58.99             |
| Decency                        | 24.20         | 33.57         | 2.24          | 15.65        | 16.95        | 97.53               | 190.14            |
| Other                          | 5.97          | 2.91          | 1.19          | 1.50         | 0.00         | 0.00                | 11.58             |
| <b>Housing Revenue Account</b> | <b>134.6</b>  | <b>128.2</b>  | <b>92.3</b>   | <b>56.7</b>  | <b>63.4</b>  | <b>469.8</b>        | <b>945.0</b>      |
| <b>Total</b>                   | <b>351.44</b> | <b>288.71</b> | <b>153.38</b> | <b>88.23</b> | <b>77.76</b> | <b>547.89</b>       | <b>1,507.41</b>   |

### Appendix 3c - Approved capital budgets by Programme

|                                     | 2023/24       | 2024/25       | 2025/26       | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|-------------------------------------|---------------|---------------|---------------|--------------|--------------|---------------------|-------------------|
|                                     | £m            | £m            | £m            | £m           | £m           | £m                  | £m                |
| IT Investment                       | 13.50         | 12.50         | 8.90          | 4.20         | 3.00         | 10.40               | 52.50             |
| <b>Resources</b>                    | <b>13.50</b>  | <b>12.50</b>  | <b>8.90</b>   | <b>4.20</b>  | <b>3.00</b>  | <b>10.40</b>        | <b>52.50</b>      |
| Mental Health and Wellbeing Centre  | 1.25          | 1.95          | -             | -            | -            | -                   | 3.20              |
| Strategic Schools Places Programme  | 17.20         | 2.40          | -             | -            | -            | -                   | 19.60             |
| Schools Maintenance                 | 7.55          | 2.83          | 0.35          | 0.35         | 0.35         | 1.75                | 13.18             |
| <b>People</b>                       | <b>26.00</b>  | <b>7.18</b>   | <b>0.35</b>   | <b>0.35</b>  | <b>0.35</b>  | <b>1.75</b>         | <b>35.98</b>      |
| Flood Alleviation (watercourses)    | 1.12          | 0.92          | -             | -            | -            | -                   | 2.04              |
| Highways – fibre ducting            | 0.80          | -             | -             | -            | -            | -                   | 0.80              |
| Journey & Places                    | 1.07          | -             | -             | -            | -            | -                   | 1.07              |
| Waste bin replacements              | 0.10          | 0.10          | 0.10          | 0.10         | 0.10         | 0.50                | 1.00              |
| Sloemans’s Farm burial              | 0.33          | 0.07          | 1.15          | 0.04         | -            | -                   | 1.59              |
| <b>Environment &amp; Operations</b> | <b>3.42</b>   | <b>1.09</b>   | <b>1.25</b>   | <b>0.14</b>  | <b>0.10</b>  | <b>0.50</b>         | <b>6.50</b>       |
| Corporate Condition Programme       | 2.09          | 0.70          | -             | -            | -            | -                   | 2.79              |
| Build the Change                    | 5.00          | 7.03          | 7.02          | -            | -            | -                   | 19.04             |
| Montagu Industrial Estate           | 42.16         | 7.43          | 0.18          | -            | -            | -                   | 49.76             |
| Town Centre Regeneration            | 0.49          | -             | -             | -            | -            | -                   | 0.49              |
| <b>Property &amp; Economy</b>       | <b>49.73</b>  | <b>15.16</b>  | <b>7.20</b>   | <b>-</b>     | <b>-</b>     | <b>-</b>            | <b>72.10</b>      |
| Meridian Water (One to Thirteen)    | 18.80         | 17.21         | 5.33          | 12.60        | 0.82         | 3.60                | 58.36             |
| Meridian Water Scheme-wide          | 16.22         | 18.01         | 12.25         | 12.93        | 10.05        | 61.87               | 131.31            |
| Meridian Water (HIF)                | 69.38         | 63.84         | 2.08          | 1.34         | -            | -                   | 136.64            |
| <b>Meridian Water</b>               | <b>104.40</b> | <b>99.06</b>  | <b>19.65</b>  | <b>26.87</b> | <b>10.87</b> | <b>65.47</b>        | <b>326.32</b>     |
| <b>Place</b>                        | <b>157.56</b> | <b>115.31</b> | <b>28.11</b>  | <b>27.01</b> | <b>10.97</b> | <b>65.97</b>        | <b>404.93</b>     |
| Energetik                           | 17.55         | 10.50         | 14.07         | -            | -            | -                   | 42.12             |
| Housing Gateway Ltd                 | 2.23          | 14.87         | 9.68          | -            | -            | -                   | 26.78             |
| <b>Companies</b>                    | <b>19.78</b>  | <b>25.37</b>  | <b>23.75</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>            | <b>68.90</b>      |
| <b>General Fund</b>                 | <b>216.84</b> | <b>160.36</b> | <b>61.11</b>  | <b>31.56</b> | <b>14.32</b> | <b>78.12</b>        | <b>562.31</b>     |
| Development Programme               | 69.66         | 77.13         | 74.93         | 36.39        | 46.49        | 372.24              | 676.84            |
| Estate Regeneration                 | 4.97          | 1.12          | 0.76          | 0.63         | 0.00         | 0.00                | 7.47              |
| Building Safety                     | 29.83         | 13.52         | 13.15         | 2.50         | 0.00         | 0.00                | 58.99             |
| Decency                             | 24.20         | 33.57         | 2.24          | 15.65        | 16.95        | 97.53               | 190.14            |
| Other                               | 5.97          | 2.91          | 1.19          | 1.50         | 0.00         | 0.00                | 11.58             |
| <b>HRA</b>                          | <b>134.6</b>  | <b>128.2</b>  | <b>92.3</b>   | <b>56.7</b>  | <b>63.4</b>  | <b>469.8</b>        | <b>945.0</b>      |
| <b>Total</b>                        | <b>351.44</b> | <b>288.71</b> | <b>153.38</b> | <b>88.23</b> | <b>77.76</b> | <b>547.89</b>       | <b>1,507.41</b>   |



### Appendix 3d - Financing Approved capital budgets

|                         | 2023/24       | 2024/25       | 2025/26       | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|-------------------------|---------------|---------------|---------------|--------------|--------------|---------------------|-------------------|
|                         | £m            | £m            | £m            | £m           | £m           | £m                  | £m                |
| External Grants         | 98.22         | 71.94         | 2.43          | 1.69         | 0.35         | 1.75                | 176.38            |
| S106/CIL                | 0.14          | -             | -             | -            | -            | -                   | 0.14              |
| Capital Receipts        | 41.41         | 7.50          | 16.33         | 0.04         | -            | -                   | 65.27             |
| Borrowing               | 77.05         | 81.03         | 42.35         | 29.83        | 13.97        | 73.37               | 320.60            |
| <b>General Fund</b>     | <b>216.84</b> | <b>160.36</b> | <b>61.11</b>  | <b>31.56</b> | <b>14.32</b> | <b>78.12</b>        | <b>562.40</b>     |
| External Grants         | 47.1          | 5.45          | 65.7          | 11.2         | 0.8          | 147.9               | <b>278.2</b>      |
| Capital Receipts        | 27.6          | 40.9          | 12.7          | 25.9         | 38.2         | 74.4                | <b>219.7</b>      |
| Major Allowance Repairs | 12.3          | 13.9          | 13.8          | 14.6         | 15.4         | 68.5                | <b>138.5</b>      |
| Earmarked Reserves      | 2.6           | -             | -             | -            | -            | -                   | <b>2.6</b>        |
| Borrowing               | 45.0          | 68.0          | -             | 5.0          | 9.0          | 179.0               | <b>306.0</b>      |
| HRA                     | 134.6         | 128.2         | 92.3          | 56.7         | 63.4         | 469.8               | 945.0             |
| <b>Total</b>            | <b>351.44</b> | <b>288.71</b> | <b>153.38</b> | <b>88.23</b> | <b>77.76</b> | <b>547.89</b>       | <b>1,507.41</b>   |

## Capital budgets requiring further approval to spend in 10-year capital programme

### Appendix 4a – Outline budgets subject to further approval to spend, by Corporate Objective

|                                       | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------------|
|                                       | £m           | £m           | £m           | £m           | £m           | £m                  | £m                |
| Clean and Green Places                | 9.25         | 7.41         | 10.67        | 5.24         | 4.60         | 23.75               | 60.90             |
| Strong, healthy, and safe communities | 9.44         | 9.58         | 8.90         | 9.19         | 9.49         | 50.51               | 97.11             |
| Thriving children and young people    | 0.46         | 5.36         | 5.36         | 5.36         | 5.36         | 26.80               | 48.70             |
| More and Better Homes                 | 8.98         | 11.43        | 26.20        | 17.03        | 0.00         | 0.00                | 63.64             |
| An economy that works for everyone    | 0.00         | 2.21         | 2.34         | 2.48         | 2.63         | 12.59               | 22.25             |
| <b>Total</b>                          | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>       | <b>292.61</b>     |

### Appendix 4b – Outline capital budgets subject to further approval to spend, by Directorate

|                                | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------------|
|                                | £m           | £m           | £m           | £m           | £m           | £m                  | £m                |
| Resources                      | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00                | 0.00              |
| People                         | 0.46         | 5.36         | 5.36         | 5.36         | 5.36         | 26.80               | 48.70             |
| Place                          | 18.69        | 19.19        | 21.91        | 16.91        | 16.72        | 86.85               | 180.26            |
| Companies                      | 8.98         | 11.43        | 26.20        | 17.03        | 0.00         | 0.00                | 63.64             |
| <b>General Fund</b>            | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>       | <b>292.61</b>     |
| <b>Housing Revenue Account</b> | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>  | <b>0.00</b>         | <b>0.00</b>       |
|                                |              |              |              |              |              |                     |                   |
| <b>Total</b>                   | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>       | <b>292.61</b>     |

#### Appendix 4c: 10 year proposed programme: outline budgets subject to further approval to spend

|                                    | Basis for further approval  | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-2032/33 | ten-year total |
|------------------------------------|---|--------------|--------------|--------------|--------------|--------------|-----------------|----------------|
|                                    |   | £m           | £m           | £m           | £m           | £m           | £m              | £m             |
| Schools Maintenance                | Indicative – grant funded budget to be allocated to specific schemes                      | -            | 5.00         | 5.00         | 5.00         | 5.00         | 25.00           | 45.00          |
| Community Safety                   | Annual budget – to be allocated to specific schemes, funded borrowing                     | 0.15         | 0.15         | 0.15         | 0.15         | 0.15         | 0.75            | 1.50           |
| Extensions to foster carers' homes | Annual budget – to be allocated to specific schemes, funded borrowing                     | 0.31         | 0.21         | 0.21         | 0.21         | 0.21         | 1.05            | 2.20           |
| <b>People</b>                      |   | <b>0.46</b>  | <b>5.36</b>  | <b>5.36</b>  | <b>5.36</b>  | <b>5.36</b>  | <b>26.80</b>    | <b>48.70</b>   |
| Vehicle replacement programme      | Borrowing funded annual budget – to be approved annually line with fleet replacement plan | 2.44         | 1.30         | 5.42         | 1.26         | 0.62         | 3.87            | 14.92          |
| Corporate condition programme      | Borrowing funded annual budget – to be allocated to specific schemes                      | 0.00         | 2.21         | 2.34         | 2.48         | 2.63         | 12.59           | 22.25          |
| Highways & Street Scene            | Borrowing funded annual budget – to be allocated to specific schemes                      | 5.50         | 6.57         | 5.90         | 6.19         | 6.49         | 35.51           | 66.17          |
| Traffic & Transportation           | Grant funded budget based on estimated annual grant funding                               | 0.70         | 0.70         | 0.70         | 0.70         | 0.70         | 0.70            | 7.00           |
| DFG housing adaptations            | Grant funded budget based on estimated annual grant funding                               | 3.00         | 2.30         | 2.30         | 2.30         | 2.30         | 11.50           | 23.70          |
| Journey & Places                   | Grant and s106 funded budget, based on estimated annual grant funding                     | 5.93         | 5.68         | 4.82         | 3.55         | 3.55         | 17.75           | 41.28          |
| Enfield to Broxbourne Cycle        | Grant funded budget – off carriageway works   | 0.45         | -            | -            | -            | -            | -               | 0.45           |
| Flood alleviation                  | Annual budget of £0.25m s106 and £0.18m borrowing   | 0.43         | 0.43         | 0.43         | 0.43         | 0.43         | 0.43            | 4.25           |
| Expansion of MoT facility          | Borrowing funded - requires approval pending viability confirmation                       | 0.25         | -            | -            | -            | -            | -               | 0.25           |
| <b>Place</b>                       |   | <b>18.69</b> | <b>19.19</b> | <b>21.91</b> | <b>16.91</b> | <b>16.72</b> | <b>88.35</b>    | <b>180.26</b>  |
| Housing Gateway Ltd                | Borrowing funded  | 8.98         | 11.43        | 26.20        | 17.03        | -            | -               | 63.64          |
| <b>Companies</b>                   |   | <b>8.98</b>  | <b>11.43</b> | <b>26.20</b> | <b>17.03</b> | <b>-</b>     | <b>-</b>        | <b>63.64</b>   |
| <b>Total</b>                       |   | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>   | <b>292.61</b>  |

**Appendix 4d – 10 year proposed programme: funding of outline budgets, subject to further approval to spend**

|                     | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------------|
|                     | £m           | £m           | £m           | £m           | £m           | £m                  | £m                |
| External Grants     | 8.46         | 12.01        | 11.15        | 11.15        | 11.15        | 55.75               | 109.67            |
| S106                | 0.53         | 0.45         | 0.45         | 0.45         | 0.45         | 2.25                | 4.58              |
| CIL                 | 1.33         | 1.47         | 1.47         | 0.20         | 0.20         | 1.00                | 5.67              |
| Borrowing           | 17.80        | 22.05        | 40.40        | 27.51        | 10.28        | 54.65               | 172.68            |
| <b>General Fund</b> | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>       | <b>292.61</b>     |
| HRA                 | -            | -            | -            | -            | -            | -                   | -                 |
| <b>Total</b>        | <b>28.13</b> | <b>35.98</b> | <b>53.47</b> | <b>39.31</b> | <b>22.08</b> | <b>113.65</b>       | <b>292.61</b>     |

## Total capital budgets in ten-year capital programme

### Appendix 5a – Ten-year capital programme by Corporate Objective

|                                       | 2023/24       | 2024/25       | 2025/26       | 2026/27       | 2027/28      | 2028/29-<br>2032/33 | ten-year total  |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|---------------------|-----------------|
|                                       | £m            | £m            | £m            | £m            | £m           | £m                  | £m              |
| Clean and Green Places                | 11.53         | 8.42          | 10.77         | 5.34          | 4.70         | 24.25               | 65.00           |
| Strong, healthy, and safe communities | 11.82         | 11.60         | 10.06         | 9.23          | 9.49         | 50.51               | 102.70          |
| Thriving children and young people    | 25.21         | 10.59         | 5.71          | 5.71          | 5.71         | 28.55               | 81.48           |
| More and Better Homes                 | 267.79        | 264.21        | 161.88        | 100.57        | 74.31        | 535.24              | 1,404.00        |
| An economy that works for everyone    | 63.23         | 29.87         | 18.44         | 6.68          | 5.63         | 22.99               | 146.83          |
| <b>Total</b>                          | <b>379.58</b> | <b>324.69</b> | <b>206.85</b> | <b>127.53</b> | <b>99.83</b> | <b>661.53</b>       | <b>1,800.00</b> |

### Appendix 5b – Ten-year capital programme by Directorate

|                                | 2023/24       | 2024/25       | 2025/26       | 2026/27       | 2027/28      | 2028/29-<br>2032/33 | ten-year total  |
|--------------------------------|---------------|---------------|---------------|---------------|--------------|---------------------|-----------------|
|                                | £m            | £m            | £m            | £m            | £m           | £m                  | £m              |
| Resources                      | 13.50         | 12.50         | 8.90          | 4.20          | 3.00         | 10.40               | 52.50           |
| People                         | 26.46         | 12.54         | 5.71          | 5.71          | 5.71         | 28.55               | 84.68           |
| Place                          | 71.83         | 35.43         | 30.36         | 17.05         | 16.82        | 87.35               | 258.84          |
| Place – Meridian Water         | 104.40        | 99.06         | 19.65         | 26.87         | 10.87        | 65.47               | 326.32          |
| Companies                      | 28.76         | 36.90         | 49.96         | 17.03         | 0.00         | 0.00                | 132.66          |
| <b>General Fund</b>            | <b>244.95</b> | <b>196.44</b> | <b>114.58</b> | <b>70.86</b>  | <b>36.40</b> | <b>191.76</b>       | <b>854.99</b>   |
| Development Programme          | 69.66         | 77.13         | 74.93         | 36.39         | 46.49        | 372.24              | 676.84          |
| Estate Regeneration            | 4.97          | 1.12          | 0.76          | 0.63          | 0.00         | 0.00                | 7.47            |
| Building Safety                | 29.83         | 13.52         | 13.15         | 2.50          | 0.00         | 0.00                | 58.99           |
| Decency                        | 24.20         | 33.57         | 2.24          | 15.65         | 16.95        | 97.53               | 190.14          |
| Other                          | 5.97          | 2.91          | 1.19          | 1.50          | 0.00         | 0.00                | 11.58           |
| <b>Housing Revenue Account</b> | <b>134.63</b> | <b>128.2</b>  | <b>92.3</b>   | <b>56.7</b>   | <b>63.4</b>  | <b>469.8</b>        | <b>945.0</b>    |
| <b>Total</b>                   | <b>379.58</b> | <b>324.69</b> | <b>206.85</b> | <b>127.53</b> | <b>99.83</b> | <b>661.53</b>       | <b>1,800.00</b> |

## Appendix 5c – Ten-year capital programme by programme

|  | 2023/24       | 2024/25       | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|--|---------------|---------------|--------------|--------------|--------------|---------------------|-------------------|
|  | £m            | £m            | £m           | £m           | £m           | £m                  | £m                |
| IT Investment                              | 13.50         | 12.50         | 8.90         | 4.20         | 3.00         | 10.40               | 52.50             |
| <b>Resources</b>                           | <b>13.50</b>  | <b>12.50</b>  | <b>8.90</b>  | <b>4.20</b>  | <b>3.00</b>  | <b>10.40</b>        | <b>52.50</b>      |
| Mental Health and Wellbeing Centre         | 1.25          | 1.95          | -            | -            | -            | -                   | 3.20              |
| Community Safety                           | 0.15          | 0.15          | 0.15         | 0.15         | 0.15         | 0.75                | 1.50              |
| Extensions to Foster Carers' Homes         | 0.31          | 0.21          | 0.21         | 0.21         | 0.21         | 1.05                | 2.20              |
| Strategic Schools Places Programme         | 17.20         | 2.40          | -            | -            | -            | -                   | 19.60             |
| Schools Maintenance                        | 7.55          | 7.83          | 5.35         | 5.35         | 5.35         | 26.75               | 58.18             |
| <b>People</b>                              | <b>26.46</b>  | <b>12.54</b>  | <b>5.71</b>  | <b>5.71</b>  | <b>5.71</b>  | <b>28.55</b>        | <b>84.68</b>      |
| Flood Alleviation (excluding watercourses) | 0.43          | 0.43          | 0.43         | 0.43         | 0.43         | 2.13                | 4.25              |
| Flood Alleviation (watercourses)           | 1.12          | 0.92          | -            | -            | -            | -                   | 2.04              |
| Highways & Street Scene                    | 5.50          | 6.57          | 5.90         | 6.19         | 6.49         | 35.51               | 66.17             |
| Highways – fibre ducting                   | 0.80          | -             | -            | -            | -            | -                   | 0.80              |
| Journey & Places                           | 7.45          | 5.68          | 4.82         | 3.55         | 3.55         | 17.75               | 42.80             |
| Traffic & Transportation                   | 0.70          | 0.70          | 0.70         | 0.70         | 0.70         | 3.50                | 7.00              |
| Vehicle Replacement Programme              | 2.44          | 1.30          | 5.42         | 1.26         | 0.62         | 3.87                | 14.92             |
| Workshops for External Commercialisation   | 0.25          | -             | -            | -            | -            | -                   | 0.25              |
| Waste bin replacements                     | 0.10          | 0.10          | 0.10         | 0.10         | 0.10         | 0.50                | 1.00              |
| Sloemans's Farm burial                     | 0.33          | 0.07          | 1.15         | 0.04         | -            | -                   | 1.59              |
| <b>Environment &amp; Operations</b>        | <b>19.11</b>  | <b>15.77</b>  | <b>18.52</b> | <b>12.27</b> | <b>11.89</b> | <b>63.23</b>        | <b>140.80</b>     |
| Corporate Condition Programme              | 2.09          | 2.91          | 2.34         | 2.48         | 2.63         | 12.59               | 25.04             |
| Build the Change                           | 5.00          | 7.03          | 7.02         | -            | -            | -                   | 19.04             |
| Montagu Industrial Estate                  | 42.16         | 7.43          | 0.18         | -            | -            | -                   | 49.76             |
| Town Centre Regeneration                   | 0.49          | -             | -            | -            | -            | -                   | 0.49              |
| <b>Property &amp; Economy</b>              | <b>49.73</b>  | <b>17.37</b>  | <b>9.54</b>  | <b>1.42</b>  | <b>1.50</b>  | <b>7.19</b>         | <b>94.34</b>      |
| Housing Adaptations & Assistance (DFG)     | 3.00          | 2.30          | 2.30         | 2.30         | 2.30         | 11.50               | 23.70             |
| <b>Housing &amp; Regeneration</b>          | <b>3.00</b>   | <b>2.30</b>   | <b>2.30</b>  | <b>2.30</b>  | <b>2.30</b>  | <b>11.50</b>        | <b>23.70</b>      |
| Meridian Water (One to Thirteen)           | 18.80         | 17.21         | 5.33         | 12.60        | 0.82         | 3.60                | 58.36             |
| Meridian Water Scheme-wide                 | 16.22         | 18.01         | 12.25        | 12.93        | 10.05        | 61.87               | 131.31            |
| Meridian Water (HIF)                       | 69.38         | 63.84         | 2.08         | 1.34         | -            | -                   | 136.64            |
| <b>Meridian Water</b>                      | <b>104.40</b> | <b>99.06</b>  | <b>19.65</b> | <b>26.87</b> | <b>10.87</b> | <b>65.47</b>        | <b>326.32</b>     |
| <b>Place</b>                               | <b>176.23</b> | <b>134.50</b> | <b>50.01</b> | <b>43.92</b> | <b>27.69</b> | <b>152.82</b>       | <b>585.16</b>     |

|                                  | 2023/24       | 2024/25       | 2025/26       | 2026/27       | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|----------------------------------|---------------|---------------|---------------|---------------|--------------|---------------------|-------------------|
|                                  | £m            | £m            | £m            | £m            | £m           | £m                  | £m                |
| Energetik                        | 17.55         | 10.50         | 14.07         | -             | -            | -                   | 42.12             |
| Housing Gateway Ltd              | 11.21         | 26.41         | 35.88         | 17.03         | -            | -                   | 90.53             |
| <b>Companies</b>                 | <b>28.76</b>  | <b>36.91</b>  | <b>49.96</b>  | <b>17.03</b>  | <b>-</b>     | <b>-</b>            | <b>132.66</b>     |
| <b>General Fund</b>              | <b>244.95</b> | <b>196.44</b> | <b>114.58</b> | <b>70.86</b>  | <b>36.40</b> | <b>191.76</b>       | <b>855.00</b>     |
| Development Programme            | 69.66         | 77.13         | 74.93         | 36.39         | 46.49        | 372.24              | 676.84            |
| Estate Regeneration              | 4.97          | 1.12          | 0.76          | 0.63          | 0.00         | 0.00                | 7.47              |
| Building Safety                  | 29.83         | 13.52         | 13.15         | 2.50          | 0.00         | 0.00                | 58.99             |
| Decency                          | 24.20         | 33.57         | 2.24          | 15.65         | 16.95        | 97.53               | 190.14            |
| Other                            | 5.97          | 2.91          | 1.19          | 1.50          | 0.00         | 0.00                | 11.58             |
| HRA                              | 134.63        | 128.2         | 92.3          | 56.7          | 63.4         | 469.8               | 945.0             |
| <b>10-year capital programme</b> | <b>379.58</b> | <b>324.69</b> | <b>206.85</b> | <b>127.53</b> | <b>99.83</b> | <b>661.53</b>       | <b>1,800.00</b>   |

#### Appendix 5d – Financing ten-year capital programme

|                                  | 2023/24       | 2024/25       | 2025/26       | 2026/27       | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|----------------------------------|---------------|---------------|---------------|---------------|--------------|---------------------|-------------------|
|                                  | £m            | £m            | £m            | £m            | £m           | £m                  | £m                |
| External Grants                  | 106.69        | 83.95         | 13.58         | 12.84         | 11.50        | 57.50               | 286.06            |
| S106/CIL                         | 2.00          | 1.92          | 1.92          | 0.65          | 0.65         | 3.25                | 10.39             |
| Capital Receipts                 | 41.41         | 7.50          | 16.33         | 0.04          | 0.00         | 0.00                | 65.27             |
| Borrowing                        | 94.85         | 103.08        | 82.75         | 57.33         | 24.25        | 131.01              | 493.27            |
| <b>General Fund</b>              | <b>244.95</b> | <b>196.44</b> | <b>114.58</b> | <b>70.86</b>  | <b>36.40</b> | <b>191.76</b>       | <b>855.00</b>     |
| External Grants                  | 47.1          | 5.45          | 65.7          | 11.2          | 0.8          | 147.9               | <b>278.2</b>      |
| Capital Receipts                 | 27.6          | 40.9          | 12.7          | 25.9          | 38.2         | 74.4                | <b>219.7</b>      |
| Major Allowance Repairs          | 12.3          | 13.9          | 13.8          | 14.6          | 15.4         | 68.5                | <b>138.5</b>      |
| Earmarked Reserves               | 2.6           | -             | -             | -             | -            | -                   | <b>2.6</b>        |
| Borrowing                        | 45.0          | 68.0          | -             | 5.0           | 9.0          | 179.0               | <b>306.0</b>      |
| HRA                              | 134.6         | 128.2         | 92.3          | 56.7          | 63.4         | 469.8               | 945.0             |
| <b>10-year capital programme</b> | <b>379.58</b> | <b>324.69</b> | <b>206.85</b> | <b>127.53</b> | <b>99.83</b> | <b>661.53</b>       | <b>1,800.00</b>   |

## Appendix 6 – Directorate Financing Tables

### Appendix 6a - Financing for Resources Directorate

| Approved programme | 2023/24      | 2024/25      | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------|--------------|--------------|-------------|-------------|-------------|---------------------|-------------------|
|                    | £m           | £m           | £m          | £m          | £m          | £m                  | £m                |
| Resources          | 13.50        | 12.50        | 8.90        | 4.20        | 3.00        | 10.40               | 52.50             |
| <b>Financing:</b>  |              |              |             |             |             |                     |                   |
| Grants             | -            | -            | -           | -           | -           | -                   | -                 |
| Borrowing          | 13.50        | 12.50        | 8.90        | 4.20        | 3.00        | 10.40               | 52.50             |
| <b>Total</b>       | <b>13.50</b> | <b>12.50</b> | <b>8.90</b> | <b>4.20</b> | <b>3.00</b> | <b>10.40</b>        | <b>52.50</b>      |

| Resources – all capital<br>budgets | 2023/24      | 2024/25      | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year total |
|------------------------------------|--------------|--------------|-------------|-------------|-------------|---------------------|----------------|
|                                    | £m           | £m           | £m          | £m          | £m          | £m                  | £m             |
| Resources                          | 13.50        | 12.50        | 8.90        | 4.20        | 3.00        | 10.40               | 52.50          |
| <b>Financing:</b>                  |              |              |             |             |             |                     |                |
| Grants                             | -            | -            | -           | -           | -           | -                   | -              |
| Borrowing                          | 13.50        | 12.50        | 8.90        | 4.20        | 3.00        | 10.40               | 52.50          |
| <b>Total</b>                       | <b>13.50</b> | <b>12.50</b> | <b>8.90</b> | <b>4.20</b> | <b>3.00</b> | <b>10.40</b>        | <b>52.50</b>   |



## Appendix 6b - Financing for People Directorate

| Approved programme | 2023/24      | 2024/25     | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------|--------------|-------------|-------------|-------------|-------------|---------------------|-------------------|
|                    | £m           | £m          | £m          | £m          | £m          | £m                  | £m                |
| People             | 26.00        | 7.18        | 0.35        | 0.35        | 0.35        | 1.75                | 35.98             |
| <b>Financing:</b>  |              |             |             |             |             |                     |                   |
| Grants             | 26.00        | 7.18        | 0.35        | 0.35        | 0.35        | 1.75                | 35.98             |
| Borrowing          | -            | -           | -           | -           | -           | -                   | -                 |
| <b>Total</b>       | <b>26.00</b> | <b>7.18</b> | <b>0.35</b> | <b>0.35</b> | <b>0.35</b> | <b>1.75</b>         | <b>35.98</b>      |

| Requires further approval | 2023/24     | 2024/25     | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------|-------------|-------------|-------------|-------------|-------------|---------------------|-------------------|
|                           | £m          | £m          | £m          | £m          | £m          | £m                  | £m                |
| People                    | 0.46        | 5.36        | 5.36        | 5.36        | 5.36        | 26.80               | 48.70             |
| <b>Financing:</b>         |             |             |             |             |             |                     |                   |
| Grants                    | -           | 5.00        | 5.00        | 5.00        | 5.00        | 25.00               | 45.00             |
| Borrowing                 | 0.46        | 0.36        | 0.36        | 0.36        | 0.36        | 1.80                | 3.70              |
| <b>Total</b>              | <b>0.46</b> | <b>5.36</b> | <b>5.36</b> | <b>5.36</b> | <b>5.36</b> | <b>26.80</b>        | <b>48.70</b>      |

| People – all capital budgets | 2023/24      | 2024/25      | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year<br>total |
|------------------------------|--------------|--------------|-------------|-------------|-------------|---------------------|-------------------|
|                              | £m           | £m           | £m          | £m          | £m          | £m                  | £m                |
| People                       | 26.46        | 12.54        | 5.71        | 5.71        | 5.71        | 28.55               | 84.68             |
| <b>Financing:</b>            |              |              |             |             |             |                     |                   |
| Grants                       | 26.00        | 12.18        | 5.35        | 5.35        | 5.35        | 26.75               | 80.98             |
| Borrowing                    | 0.46         | 0.36         | 0.36        | 0.36        | 0.36        | 1.80                | 3.70              |
| <b>Total</b>                 | <b>26.46</b> | <b>12.54</b> | <b>5.71</b> | <b>5.71</b> | <b>5.71</b> | <b>28.55</b>        | <b>84.68</b>      |

## Appendix 6c – Financing for Place Directorate (excluding HRA)

| Approved programme | 2023/24       | 2024/25       | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------|---------------|---------------|--------------|--------------|--------------|---------------------|-------------------|
|                    | £m            | £m            | £m           | £m           | £m           | £m                  | £m                |
| Place              | 157.99        | 115.30        | 28.10        | 27.01        | 10.97        | 65.97               | 405.34            |
| <b>Financing:</b>  |               |               |              |              |              |                     |                   |
| Grants             | 72.68         | 64.76         | 2.08         | 1.34         | -            | -                   | 140.85            |
| Capital receipts   | 41.41         | 7.50          | 16.33        | 0.04         | -            | -                   | 65.27             |
| S106               | 0.06          | -             | -            | -            | -            | -                   | 0.06              |
| CIL                | 0.08          | -             | -            | -            | -            | -                   | 0.08              |
| Borrowing          | 43.77         | 43.05         | 9.69         | 25.63        | 10.97        | 65.97               | 199.08            |
| <b>Total</b>       | <b>157.99</b> | <b>115.30</b> | <b>28.10</b> | <b>27.01</b> | <b>10.97</b> | <b>65.97</b>        | <b>405.34</b>     |

| Requires further approval | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------------|
|                           | £m           | £m           | £m           | £m           | £m           | £m                  | £m                |
| Place                     | 18.24        | 19.19        | 21.91        | 16.91        | 16.72        | 86.46               | 179.81            |
| <b>Financing:</b>         |              |              |              |              |              |                     |                   |
| Grants                    | 8.02         | 7.01         | 6.15         | 6.15         | 6.15         | 30.75               | 64.16             |
| Capital receipts          | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00                | 0.00              |
| S106                      | 0.53         | 1.47         | 1.47         | 0.20         | 0.20         | 1.00                | 4.87              |
| CIL                       | 1.49         | 0.45         | 0.45         | 0.45         | 0.45         | 2.25                | 5.38              |
| Borrowing                 | 8.36         | 10.26        | 13.84        | 10.11        | 9.92         | 52.84               | 105.34            |
| <b>Total</b>              | <b>18.24</b> | <b>19.20</b> | <b>21.91</b> | <b>16.91</b> | <b>16.72</b> | <b>86.85</b>        | <b>179.82</b>     |

| Place – all capital budgets | 2023/24       | 2024/25       | 2025/26      | 2026/27      | 2027/28      | 2028/29-<br>2032/33 | ten-year<br>total |
|-----------------------------|---------------|---------------|--------------|--------------|--------------|---------------------|-------------------|
|                             | £m            | £m            | £m           | £m           | £m           | £m                  | £m                |
| Place                       | 176.23        | 134.50        | 50.01        | 43.92        | 27.69        | 152.82              | 585.16            |
| <b>Financing:</b>           |               |               |              |              |              |                     |                   |
| Grants                      | 80.7          | 71.77         | 8.23         | 7.49         | 6.15         | 30.75               | 205.01            |
| Capital receipts            | 41.41         | 7.50          | 16.33        | 0.04         | -            | -                   | 65.27             |
| S106                        | 0.59          | 1.47          | 1.47         | 0.20         | 0.20         | 1.00                | 4.93              |
| CIL                         | 1.41          | 0.45          | 0.45         | 0.45         | 0.45         | 2.25                | 5.46              |
| Borrowing                   | 52.13         | 53.31         | 23.53        | 35.74        | 20.89        | 118.81              | 304.42            |
| <b>Total</b>                | <b>176.23</b> | <b>134.50</b> | <b>50.01</b> | <b>43.92</b> | <b>27.69</b> | <b>152.82</b>       | <b>585.16</b>     |

## Appendix 6d – Financing for Companies

| Approved programme | 2023/24      | 2024/25      | 2025/26      | 2026/27  | 2027/28  | 2028/29-<br>2032/33 | ten-year<br>total |
|--------------------|--------------|--------------|--------------|----------|----------|---------------------|-------------------|
|                    | £m           | £m           | £m           | £m       | £m       | £m                  | £m                |
| Companies          | 19.78        | 25.48        | 23.75        | -        | -        | -                   | 69.01             |
| <b>Financing:</b>  |              |              |              |          |          |                     |                   |
| Grants             | -            | -            | -            | -        | -        | -                   | -                 |
| Borrowing          | 19.78        | 25.48        | 23.75        | -        | -        | -                   | 69.01             |
| <b>Total</b>       | <b>19.78</b> | <b>25.48</b> | <b>23.75</b> | <b>-</b> | <b>-</b> | <b>-</b>            | <b>69.01</b>      |

| Requires further approval | 2023/24     | 2024/25      | 2025/26      | 2026/27      | 2027/28  | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------|-------------|--------------|--------------|--------------|----------|---------------------|-------------------|
|                           | £m          | £m           | £m           | £m           | £m       | £m                  | £m                |
| Companies                 | 8.92        | 11.43        | 26.20        | 17.03        | -        | -                   | 63.64             |
| <b>Financing:</b>         |             |              |              |              |          |                     |                   |
| Grants                    | -           | -            | -            | -            | -        | -                   | -                 |
| Borrowing                 | 8.92        | 11.43        | 26.20        | 17.03        | -        | -                   | 63.64             |
| <b>Total</b>              | <b>8.92</b> | <b>11.43</b> | <b>26.20</b> | <b>17.03</b> | <b>-</b> | <b>-</b>            | <b>63.64</b>      |

| Companies – all capital budgets | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28  | 2028/29-<br>2032/33 | ten-year<br>total |
|---------------------------------|--------------|--------------|--------------|--------------|----------|---------------------|-------------------|
|                                 | £m           | £m           | £m           | £m           | £m       | £m                  | £m                |
| Companies                       | 28.76        | 36.90        | 49.96        | 17.03        | -        | -                   | 132.66            |
| <b>Financing:</b>               |              |              |              |              |          |                     |                   |
| Grants                          | -            | -            | -            | -            | -        | -                   | -                 |
| Borrowing                       | 28.76        | 36.90        | 49.96        | 17.03        | -        | -                   | 132.66            |
| <b>Total</b>                    | <b>28.76</b> | <b>36.90</b> | <b>49.96</b> | <b>17.03</b> | <b>-</b> | <b>-</b>            | <b>132.66</b>     |

## Appendix 6e – Financing for Housing Revenue Account (HRA)

| Approved programme      | 2023/24      | 2024/25      | 2025/26     | 2026/27     | 2027/28     | 2028/29-<br>2032/33 | ten-year<br>total |
|-------------------------|--------------|--------------|-------------|-------------|-------------|---------------------|-------------------|
|                         | £m           | £m           | £m          | £m          | £m          | £m                  | £m                |
| HRA                     | 134.6        | 128.2        | 92.3        | 56.7        | 63.4        | 469.8               | 945.0             |
| <b>Financing:</b>       |              |              |             |             |             |                     |                   |
| External Grants         | 47.1         | 5.45         | 65.7        | 11.2        | 0.8         | 147.9               | 278.2             |
| Capital Receipts        | 27.6         | 40.9         | 12.7        | 25.9        | 38.2        | 74.4                | 219.7             |
| Major Allowance Repairs | 12.3         | 13.9         | 13.8        | 14.6        | 15.4        | 68.5                | 138.5             |
| Earmarked Reserves      | 2.6          | -            | -           | -           | -           | -                   | 2.6               |
| Borrowing               | 45.0         | 68.0         | -           | 5.0         | 9.0         | 179.0               | 306.0             |
| <b>Total</b>            | <b>134.6</b> | <b>128.2</b> | <b>92.3</b> | <b>56.7</b> | <b>63.4</b> | <b>469.8</b>        | <b>945.0</b>      |