

Capital Programme 2019/20 – 2023/24

The Council has a general fund (and housing revenue account) capital programme that is budgeted for in the same timeframe as the MTFS i.e. five years. Like the revenue budget, the capital programme is monitored via reports to priority boards and to Cabinet. Attached is an extract from the most recent budget monitoring report considered by Cabinet (quarter 2, December 2018) that deals with the capital programme.

The capital programme is composed of individual priority programmes (most of which have been previously agreed by Cabinet and Council as part of the 2018/19 budget setting process or earlier). Within those priority totals there will be schemes and within schemes there will be individual projects. For instance, Scheme 302 Borough Roads, will contain individual projects on individual roads.

The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of a satisfactory business case that validates the high-level estimates contained within the programme. An integral part of a satisfactory business case will be an assessment of the risks that a project faces and once a project is agreed the review of the risk register is a standing item on the agenda for the project's governance.

The overall programme, and the estimates of its stated resource requirements, are used in the formulation of the Council's treasury management strategy.

General Fund Capital Programme by Priority

	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total
	£m	£m	£m	£m	£m	£m
Children's	19.02	18.08	14.05	8.57	13.01	72.73
Adults	5.72	11.82	12.12	6.87	2.87	39.38
Environment	22.85	15.06	11.50	11.38	10.66	71.45
Regeneration & Housing	118.11	66.48	52.14	51.87	70.99	359.58
Housing GF	34.36	13.41	9.00	9.00	9.00	74.77
Housing HRA	-	-	-	-	-	-
Enabling	7.64	2.08	3.79	1.60	0.95	16.05
Total	207.69	126.92	102.59	89.28	107.47	633.96

The table below set outs how the general fund capital programme is financed.

General Fund Capital Programme Financing

		2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total
		£m	£m	£m	£m	£m	£m
External Sources		74.33	27.48	28.70	24.67	45.29	200.47
Borrowing							
	Self-financing schemes	90.67	61.82	47.15	39.74	34.25	273.63
	Non self-financing schemes	42.69	37.62	26.74	24.87	27.93	159.85
Total		207.69	126.92	102.59	89.28	107.47	633.95

External resources can include grants and developer contributions.

The category of self-financing schemes are those schemes that are able to generate savings after allowing for the cost of the capital investment.

A commentary on the proposed new additions to the capital programme, as part of the MTFS process, by priority is set out in the following pages.

Priority 1 – Children’s Services

104	Early years		93	93	0	0	0	187
109	Youth Services		14	0	0	0	0	14
118	Education Estates		5,000	1,000	1,000	1,000	1,000	9,000
101	Primary Sch - repairs & maintenance		1,030	1,000	1,000	1,000	1,000	5,030
102	Primary Sch - mod & enhance (Inc SEN)		8,240	1,165	720	525	480	11,130
115	Fortismere Secondary School Development		400	10,050	10,050	5,400	10,000	35,900
Priority 1 - Children’s			19,022	18,078	14,051	8,566	13,011	72,729

There are two new schemes proposed for Children’s Services.

Scheme 115, Fortismere Secondary School Development. This scheme is a proposed redevelopment of the Fortismere Secondary School site. The scheme involves the demolition and re-provision of sub-standard education accommodation. There would be residential development on the site which would pay for the re-provision of the education accommodation. The budgetary assumption is that this scheme will be self-financing with no call on the Council’s general fund resources. A business case is being developed that would need approval before the scheme progressed.

Scheme 118, Education Estate. A strategic business case is being prepared for the whole of the education estate. As part of that business case preparation process surveys have been undertaken and they have identified urgent works that are required to be done now. It is likely that the scheme for these works will be combined with Scheme 102.

Priority 2 – Adult Services

Capital Programme 2019/20 - 2023/24		2019/20	2020/21	2021/22	2022/23	2023/24	Overall Total
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000
201	Aids, Adap's & Assistive Tech - Home Owners (DFG)	2,188	2,188	2,188	2,188	2,188	10,940
211	Community Alarm Service	177	177	177	177	177	885
216	Homelessness Hub	100					100
208	Supported Living Schemes	1,500	1,500	1,500	1,500	0	6,000
209	Assistive Technology	500	500	500	500	0	2,000
213	Canning Crescent Assisted Living	500	4,200	1,750	250		6,700
214	Osborne Grove Nursing Home	500	1,500	6,000	2,250	500	10,750
215	Hornsey Town Hall Supported Living	250	1,750				2,000
Priority 2 - Adults		5,715	11,815	12,115	6,865	2,865	39,375

There are seven new schemes proposed for this Adult Services.

Scheme 211, Community Alarm Service. As part of the review of the revenue budget, costs were identified in the service that should be a charge to capital rather than revenue. These relate to the cost of the installation of the alarms.

Scheme 216, Homelessness Hub. Due to the need to relocate the Homelessness Assessment Centre from Dial House, new premises have been found. The costs in the capital programme are the estimated costs of fitting out the new facility.

Scheme 208, Supported Living Schemes. The budget is an allowance within the capital programme to fund either property acquisitions or refurbishment to enable clients who need 1-2-1 assistance to live in accommodation collocated with other clients. This will enable the same or higher levels of service to be provided at a reduced cost. At this stage property addresses are not known. Any decision to proceed will be subject to the completion of a satisfactory business case. The budgetary assumption is that the scheme will be self-financing.

Scheme 209, Assistive Technology. This scheme is to provide technological solutions that enable people to live in their homes for longer rather than transferring to other forms of accommodation. Spending on this budget is subject to the completion of a satisfactory business case and the budgetary assumption is that it is self-financing.

Scheme 213, Canning Crescent Assisted Living. Cabinet has agreed to purchase this property (a former health service property) to create a 21 unit assisted living centre with drop in café. This was funded from the 2018/19 capital programme. The scheme has c£1m of NHS grant contribution. The spend in future years is to convert the facility into a 21 unit assisted living scheme with café and is subject to the completion of a satisfactory business case. The budgetary assumption is that it is self-financing.

Scheme 214, Osborne Grove Nursing Home. Currently a feasibility study is being undertaken. The outcome of the feasibility work will be reported to Cabinet and at that point a decision will be made. The 2019/20 budget for this scheme is to undertake detailed design of the chosen option from the feasibility study outcome. The budgetary assumption is that it will be self-financing.

Scheme 215, Hornsey Town Hall. This scheme is for the Council to purchase the S106 units within this development (the S106 is the obligation on the developer to provide social housing as part of their development). The scheme is supported by grant from the GLA. The budgetary assumption is that it will be self-financing.

Priority 3 – Environment & Neighbourhoods

Capital Programme 2019/20 - 2023/24		2019/20	2020/21	2021/22	2022/23	2023/24	Overall Total
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000
309	Local Implementation Plan(LIP)	2,500	2,500	2,500	2,500	2,500	12,500
310	Developer S106 / S278	750	750	750	750	750	3,750
301	Street Lighting	1,300	1,300	1,300	1,300	1,300	6,500
302	Borough Roads	4,189	3,689	3,689	3,689	3,689	18,945
303	Structures (Highways)	394	0	0	0	0	394
304	Flood Water Management	590	620	650	680	710	3,250
305	Borough Parking Plan	322	0	0	0	0	322
311	Parks Asset Management:	300	300	300	300	300	1,500
313	Active Life in Parks:	230	230	230	230	230	1,150
314	Parkland Walk Bridges	1,000	1,000	0	0	0	2,000
316	Asset Management of Council Buildings	4,323	1,995	650	330	382	7,680
322	Finsbury Park	600	600	600	600	600	3,000
307	CCTV	2,109	0	830	1,000	200	4,139
319	Bull Lane MUGA	2,520	1,080	0	0	0	3,600
323	Parking Strategy	1,000	1,000				2,000
325	Parks Vehicles	720					720
Priority 3 - Environment & Neighbourhoods		22,847	15,064	11,499	11,379	10,661	71,450

There are four new schemes proposed for Environment & Neighbourhoods.

Scheme 322, Finsbury Park. This scheme has been included within the Council's capital programme to formalise the recording of the expenditure.

Scheme 307, CCTV. This scheme has been enhanced to include expenditure in upgrading the CCTV infrastructure of the borough. The budgetary assumption is that it will be self-financing.

Scheme 323, Parking Strategy. The scheme will include expenditure on delivering the new parking strategy for the borough and will encompass works required to the infrastructure of the borough. The budgetary assumption is that it will be self-financing.

Scheme 325, Parks Vehicles. This is for the re-provision of parks vehicles. The scheme will result in revenue savings to offset the capital expenditure incurred.

Priority 4 – Growth & Employment

Capital Programme 2019/20 - 2023/24		2019/20	2020/21	2021/22	2022/23	2023/24	Overall Total
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000
421	HRW business acquisition	54,580	15,521	15,670	12,770	32,830	131,371
427	White Hart Lane Public Realm (LIP)	500	0	0	0	0	500
430	Wards Corner CPO	5,000	0	0	0	0	5,000
481	Strategic Investment Pot	1,750	1,400	2,650	0	0	5,800
434	Wood Green Regeneration	100	0	0	0	0	100
435	Wood Green Station Road	120	0	0	0	0	120
438	Vacant possession Civic Centre	72	0	0	0	0	72
444	Marsh Lane	821	9,323	4,700	266	0	15,110
447	Alexandra Palace - Maintenance	470	470	470	470	470	2,350
464	Bruce Castle	1,000	500	4,000	6,000	8,500	20,000
472	JLAC Match Fund	500	500	0	0	0	1,000
475	Tottenham Green Public Realm Scheme Phase 2	0	156	0	0	0	156
477	Strategic Regeneration & Community Assets	3,000	3,000	0	0	0	6,000
411	Tottenham High Rd & Bruce Grove Stn	150	0	0	0	0	150
474	Tottenham High Road Strategy	1,638	5,402	3,980	1,027	1,027	13,074
480	Wood Green Regen (2)	2,997	4,632	5,901	12,141	13,610	39,279
401	Tottenham Hale Green Space	4,990	5,946	900	2,680	600	15,116
402	Tottenham Hale Streets	9,017	7,683	5,097	1,363	450	23,609
429	Site Acq (Tott & Wood Green)	10,000	8,867	0	0	0	18,867
452	Low Carbon Zones	15	0	0	0	0	15
465	District Energy Network (DEN)	800	0	1,500	6,500	3,500	12,300
470	Wood Green HQ, Library & Customer Service Centre	950	2,400	6,000	8,400	10,000	27,750
482	Strategic Property	19,635	680	1,275	250		21,840
Priority 4 - Growth & Employment		118,105	66,480	52,142	51,866	70,987	359,580

There are 5 new or expanded schemes proposed for Growth & Employment

Scheme 481, Strategic Investment Pot. The Council has been successful in bidding to this pot. At the moment the Council has received £3m of grant funding for the Productive Lea Valley (which provides loans and other assistance to businesses) and £2m for a workspace intensification scheme in Tottenham. The £0.8m balance is for a broadband project. This scheme is 100% externally financed.

Scheme 477, Strategic Regeneration & Community Assets. This budget is to enable the Council to respond swiftly to new initiatives in the arena of strategic regeneration and community assets. There are at this stage no firm expenditure plans. Any expenditure will be funded from the Council's own resources.

Scheme 474, Tottenham High Road Strategy. This scheme is composed of a range of projects, with the first one being the Enterprising High Road Project. This project has attracted GLA funding of £2m. The budgetary assumption is that the strategy will require the Council to use its own resources for part of the cost (approximately 70%). However, there are likely to be contributions to Council resources through higher levels of business rates and an uplift in rental rates for Council properties if the strategy is successful.

Scheme 480, Wood Green Regeneration. This scheme is composed of a range of projects with a range of funding streams which are being developed. The budgetary assumption is that the Council

will fund approximately 60% of the cost but like the Tottenham High Road Strategy there could be consequential financial positives for the Council.

Scheme 482, Strategic Property. This scheme has budget allowances for investments in the commercial property portfolio to increase rental yields and for the acquisition of a number of properties. Most of the budget relates to the acquisition of properties and as such are commercially confidential.

Priority 5 Homes & Communities

Capital Programme 2019/20 - 2023/24		2019/20	2020/21	2021/22	2022/23	2023/24	Overall Total
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000
506	TA Property Acquisitions Scheme	3,000	0	0	0	0	3,000
509	CPO - Empty Homes	650	1,000	1,000	1,000	1,000	4,650
510	Temporary Accommodation Acquisition Programme	25,000	4,409	0	0	0	29,409
512	Wholly Owned Company	5,000	8,000	8,000	8,000	8,000	37,000
513	54 Muswell Hill Flats	712		0			712
Priority 5 - Homes & Communities		34,362	13,409	9,000	9,000	9,000	74,771

There are two new schemes proposed for Homes & Communities

Scheme 512, The Wholly Owned Company (WOC). This scheme was designed to facilitate the building of Council houses through utilising Council land, building the land out and then cross subsidising social rented properties through sales of properties as there was insufficient financial capacity within the Council's housing revenue account (HRA) to create the required number of social rented properties. However, in October 2018 the government lifted the cap on the ability of HRA's to borrow and this will impact on the scale of the WOC's activities. The budgetary assumption is that there is still a role for the WOC in the Council's housing strategy and that the scheme is self-financing.

Scheme 513, Muswell Hill Flats. This scheme is to fit out 6 flats at 54 Muswell Hill as shared ownership properties. The budgetary assumption is that the scheme will make a positive contribution.

Priority X Enabling

Capital Programme 2019/20 - 2023/24		2019/20	2020/21	2021/22	2022/23	2023/24	Overall Total
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000
604	Continuous Improvement	950	950	950	950	950	4,750
606	Hornsey Library Refurbishment	1,382	0	0	0	0	1,382
621	Libraries IT and Buildings upgrade	1,056	25	85	0	0	1,166
698	Responsiveness Fund	2,000	0	0	0	0	2,000
699	P6 - Approved Capital Programme Contingency	1,500	0	0	0	0	1,500
607	Financial Management System Replacement	0	350	2,000	650		3,000
622	FOBO Programme	500	500	500	0	0	1,500
639	Ways of Working	250	250	250	0	0	750
Priority 6 - Enabling		7,638	2,075	3,785	1,600	950	16,048

There are three new schemes proposed for Enabling

Scheme 607, Financial Management System. This scheme is to provide for a new financial management system. Scoping and other work is underway to prepare the business case to support the expenditure. It is anticipated that the investment will pay for itself through further revenue budget reductions.

Scheme 622, FOBO. The acronym stands for Front Office Back Office and is a transformational programme to radically change the way in which the Council works. This budget is to fund the creation of any physical assets needed to deliver on the FOBO agenda such as new digital platforms. This scheme is assumed to be self-financing.

Scheme 639, Ways of Working. This scheme provides funding for alterations to existing Council assets to enable the Council to reduce its office footprint. This scheme is assumed to be self-financing.

9. Capital Expenditure Forecast at Quarter 2

Table 5 – Capital Expenditure (Quarter 2)

Priority	2018/19 Revised Budget	2018/19 Q.2 Forecast Outturn	2018/19 Q.2 Forecast Variance	Movement in Forecast Outturn (Q2 vs Q1)
	£'000	£'000	£'000	£'000
Priority 1 - Children's	11,390	7,329	(4,061)	1,476
Priority 2 - Adults	8,122	7,622	(500)	3,736
Priority 3 - Safe & Sustainable Places	22,372	17,933	(4,438)	(1,469)
Priority 4 - Growth & Employment	62,647	39,858	(22,789)	(18,237)
Priority 5 - Homes & Communities	37,425	27,561	(9,864)	(6,663)
Priority 6 - Enabling	18,942	6,181	(12,761)	(629)
General Fund Total	160,897	106,485	(54,412)	(21,787)
HRA Priority 5 - Homes & Communities	68,254	67,547	(707)	2,989
Total	229,151	174,032	(55,119)	(18,798)

9.1. At Quarter 2 the capital programme is forecasting an under spend of £55.1m. Overall the budget has increased by £1m however, the forecast outturn has deteriorated by £18.798m. Details of the main movements are outlined below.

9.2. Priority 1 is showing an improvement of £1.5m in its projected outturn. This is due to the continuing programme of school essential capital maintenance works that need to be undertaken as soon as possible. There has been no change to the budget.

9.3. Priority 2 is projecting a significant improvement of £3.746m in its projected outturn. This relates to the decision taken by Cabinet in October 2018 to acquire Canning Crescent. The budget for P2 has increased by £3.7m which is a combination of the budget from the acquisition of Canning Crescent and the incorporation of a NHS England grant of £0.65m into the budget for the adaptation of Linden House.

9.4. Priority 3 is projecting a deterioration in its outturn of £1.469m when compared to Q1. This is due to the Parkland Walk Bridges scheme revising its outturn downwards by £1.3m, the Asset Management of Council Buildings forecasting a reduced outturn of £1.3m and the re-profiling of the Bull Lane & Down Lane MUGA projects into next year (£1.12m). These have been offset by improved outturn projections for the Borough Parking Plan, £0.5m, and the LIP, £1.3m. The budget has increased by £2.272m which includes an increase of £1.3m of LIP funding, an increase in the Borough Parking Plan budget of £0.5m, additional capital resources applied to Highways Maintenance and Street Lighting of £250k and the incorporation of capital works to Finsbury Park of £0.85m offset by the re-profiling of the Bull Lane MUGA scheme of £0.72m.

9.5. Priority 4 is projecting a deterioration in its projected outturn position of £18.3m when compared to Q1. The most significant changes relate to the two Tottenham Hale regeneration schemes which between them account for £12.8m of the reduction and the proposed deletion of the

SDP acquisitions and receipt budget as these have been accounted for within the two substantive Tottenham Hale regeneration schemes. The other movements in the projected outturn relate to the strategic acquisitions budget where the budget has been transferred to P2 to fund the acquisition of Canning crescent and to P5 to fund the acquisition of property on Woodside Avenue. The overall budget has been reduced by £6.43m which is largely accounted for by the transfers to other priorities of budget to fund acquisitions, offset by an allocation from the contingency of £1.1m to fund works to 54 Muswell Hill to create a health centre/GP practice facility and an allocation to the Woodside House scheme of £0.45m to reflect an overspend on the project.

9.6. Priority 5 (GF) is projecting a deterioration in its outturn position of £6.67m. This is largely due to a revision of spend on acquiring properties for temporary accommodation. The budget has increased by £3.2m primarily the transfer of budget from P4 to fund acquisitions and the incorporation of flexible housing support grant to support the creation of the housing company and the community benefits society.

9.7. Priority 5 (HRA) is projecting an improved outturn position of £2.9m. This primarily relates to increased forecast spend on capital maintenance of £2.5m and additional forecast spend of £0.3m on new build.

9.8. Priority 6 is projecting a small increase in its outturn position (once the contingency is excluded from the projection) due to increased spend on the Hornsey Library refurbishment project and the Libraries IT and Building Upgrade project.