

# HARLOW COUNCIL Capital Programme

2024/25 to 2027/28



## **CONTENTS**

<b>Part 1 – Introduction &amp; Context</b>	<b>3</b>
1.1 Executive Summary	3
1.2 Budget Setting	3
<b>Part 2 – Non Housing Capital Programme</b>	<b>4</b>
2.1 NHCP Revised 2023/24	4
2.2 NHCP Budget 2024/25	4
2.3 NHCP Financing	6
<b>Part 3 – Housing Capital Programme</b>	<b>7</b>
3.1 HCP Revised 2023/24	7
3.2 HCP Budget 2024/25	7
3.3 HCP Financing	10
<b>Part 4 – Glossary</b>	<b>12</b>

## 1.1 Executive Summary

The Non Housing Capital Programme (NHCP) and the Housing Capital Programme (HCP) have both been prepared in line with the council's Corporate Plan and Housing Revenue Account Business Plan priorities. Summaries of the Programme are presented below and further detail is included within the report.

## 1.2 Budget Setting

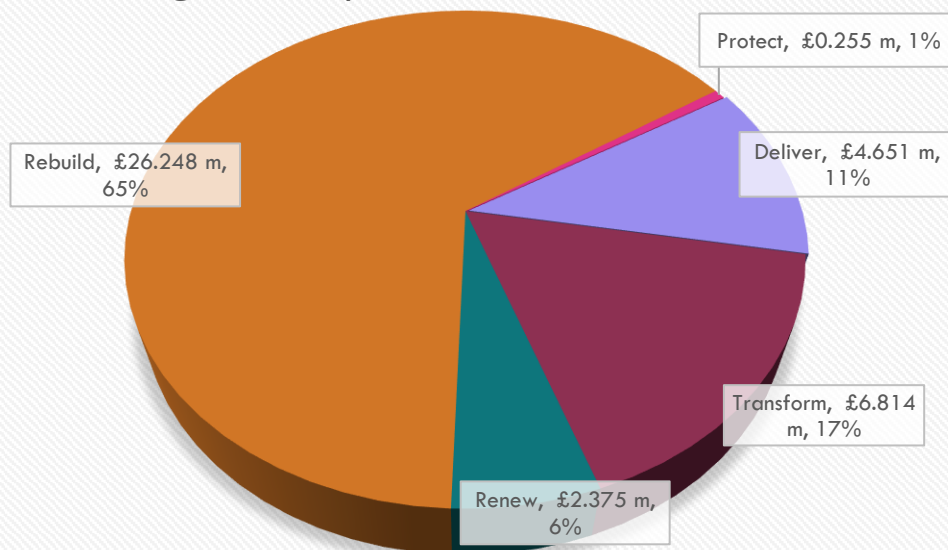
Over recent months Portfolio Holders and Officers have carried out an extensive review of the current Capital Programmes and robust scrutiny of new proposed projects in order to ensure ambitious but deliverable Capital Programmes are produced. Officers were asked to submit initial Capital Project business cases, that went through a number of stages.

Gateway 1 is the first stage in the bidding process or creation of potential projects. The process determines whether or not a project should be recommended to proceed to the next stage.

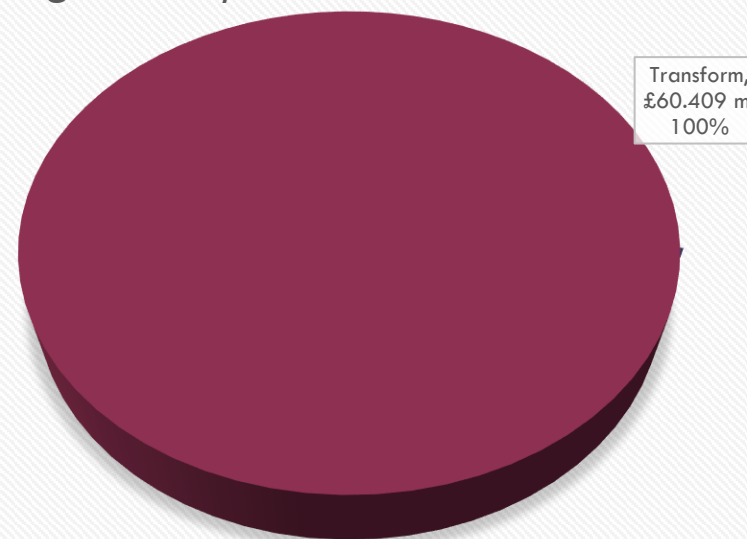
Gateway 2 is the second stage in the bidding process, which sends feedback and gathers additional information to decide if project should be approved for the Capital Programme.

Key officers and cabinet members then reviewed the existing programme and new projects in its entirety to confirm available capital resources and complete the programme.

**NHCP Budget 2024/25 £32.782 million**



**HCP Budget 2024/25 £60.409 million**



## 2.1 Summary

The Non Housing Capital Programme has been prepared in conjunction with the Medium-Term Financial Plan which was approved by Cabinet in November 2023 and the Asset Management Plan.

## 2.2 NHCP Revised 2023/24

Set out in below is a summary of the changes to the Non-Housing Capital Programme approved by Cabinet in November 2023.

### Quarter 2 Movement in the Non Housing Capital Programme

Budget Stage	Budget £000s	Cabinet
2023/24 Original budget	13,471	16/02/2023
2022/23 Total Year end budgets reprofiled	9,971	13/07/2023
2023/24 Current Budget	23,442	
2023/24 Budgets reprofiled at Quarter 1	-3,652	07/09/2023
2023/24 Budgets reprofiled at Quarter 2	-3,909	30/11/2023
2023/24 Budget Allocations	4,694	30/11/2023
<b>2023/24 Revised Budget</b>	<b>20,576</b>	

Explanations of changes were reported in the Quarter 2 Finance Performance Report, majority of the reprofiling in Quarter 1 was from the Council House Build Programme and the majority in Quarter 2 was in relation to the Towns Fund reprofiling. It is expected that further reprofiling will be required in Quarter 3 and Quarter 4, with final slippage confirmed at the end of the financial year.

Revenue implications of the Revised 2023/24 Budget take effect for the financial year in 2024/25 and have been fully covered within the MTFP.

## 2.3 NHCP Budget 2024/25

In February 2023 Cabinet approved the Medium-Term Financial Plan (MTFP) for the period 2023/24 to 2025/26. Set below are the changes to the 2024/25 NHCP Budget since the MTFP was approved.

### NHCP Adjustments to Estimates in the MTFP 2024/25

Budget Stage	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Original Budget as per 2023/24 MTFP	17,190	7,217	1,427	1,363
2023/24 Budgets reprofiled at Quarter 1	3,652			
2023/24 Budgets reprofiled at Quarter 2	3,909			
New Scheme/Bids 2024/25	1,802	650	120	45
Towns Fund Allocation	0	3,772		
Levelling Up Fund Allocation	9,352	9,352		
Re-Profilng	-3,123	-304	1,364	38
<b>Original Budget as per 2024/25 MTFP</b>	<b>32,782</b>	<b>20,687</b>	<b>2,911</b>	<b>1,446</b>

Details of the re-profiled schemes from 2023/24 were reported in the Quarter 2 Capital Programme Report to the December Cabinet. In addition, as capital schemes progress, minor amendments are made which will impact on the overall cost of the programme.

### New Schemes/Projects

There is a need for continuing capital investment and as part of the budget, new capital projects are requested to be included in the NHCP. A list of new project are set out below which reflect the Corporate Plan missions.

# PART 2 – NON HOUSING CAPITAL PROGRAMME

A comprehensive business case has been prepared to support each project with each project supported by Cabinet and the Wider Leadership Team (WLT) as part of the capital budget setting process.

New Schemes (2024/25)	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Playhouse Accessibility	47	0	0	0
Harlow Playhouse - Health,safety & Licensing	70	0	0	0
Cashless Car Parking Machines	110	0	0	0
Pets Corner - Middle Island Development	35	0	0	0
Paddling Pool and Splash Parks	78	0	0	0
Townwide Unadopted Highways and Paving	40	0	0	0
Harlow Museum	300	0	0	0
<b>RENEW TOTAL</b>	<b>681</b>	<b>0</b>	<b>0</b>	<b>0</b>
CCTV Project	55	50	20	45
Unauthorised Encampments	200	0	0	0
<b>PROTECT TOTAL</b>	<b>255</b>	<b>50</b>	<b>20</b>	<b>45</b>
Civic Centre - Fire alarm system upgrades.	220	0	0	0
Civic Centre – New post van.	26	0	0	0
The Latton Bush Centre - LED Lighting.	0	300	0	0
The Latton Bush Centre - Solar Panel Installatio	0	140	0	0
Katherines Hatch – Roof	120	0	0	0
Slacksbury Hatch – Roof	165	0	0	0
Bush House Offices - Fire safety works.	25	0	0	0
Member IT	35	0	0	0
Replacement Hardware	100	100	100	0
Telephony System	120	60	0	0
WebPaystaff	56	0	0	0
<b>DELIVER TOTAL</b>	<b>867</b>	<b>600</b>	<b>100</b>	<b>0</b>
<b>NEW SCHEME TOTAL</b>	<b>1,802</b>	<b>650</b>	<b>120</b>	<b>45</b>

## Non Housing Capital Programme

### Non Housing Capital Programme 2023/24 to 2027/28

SCHEMES	Revised 2023/24 £'000s	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Garages (Non Housing)	143	197	136	136	136
Council House Build Programme	520	3,708	-	-	-
<b>TRANSFORM TOTAL</b>	<b>663</b>	<b>3,905</b>	<b>136</b>	<b>136</b>	<b>136</b>
Highways and Car Parks	505	240	807	85	85
Drainage Works	130	135	99	50	50
Environment and Infrastructure	1,659	701	525	525	525
Playhouse	628	261	96	-	-
Museum	216	660	120	326	-
Pets Corner	78	35	14	36	-
<b>RENEW TOTAL</b>	<b>3,216</b>	<b>2,032</b>	<b>1,661</b>	<b>1,022</b>	<b>660</b>
Town Centre	470	-	-	-	-
Public Realm	-	-	-	-	-
Harvey Centre	547	375	266	266	266
Towns Fund	3,353	13,461	6,772	-	-
Town Centre Ltd	5,000	-	-	-	-
Levelling Up	1,295	9,352	9,352	-	-
<b>REBUILD TOTAL</b>	<b>10,664</b>	<b>23,189</b>	<b>16,391</b>	<b>266</b>	<b>266</b>
Innovation Park	2,000	-	-	-	-
Enterprize Zone	87	-	-	-	-
<b>SECURE TOTAL</b>	<b>2,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
CCTV	10	200	-	-	-
Community Safety	16	55	50	20	45
<b>PROTECT TOTAL</b>	<b>26</b>	<b>255</b>	<b>50</b>	<b>20</b>	<b>45</b>
Latton Bush Centre	921	873	540	1,000	-
Civic Centre	1,301	769	14	-	-
Asset Management	1,178	1,258	1,685	317	289
ICT Strategy & Systems	520	451	160	100	-
Contingency	-	50	50	50	50
<b>DELIVER TOTAL</b>	<b>3,920</b>	<b>3,401</b>	<b>2,449</b>	<b>1,467</b>	<b>339</b>
<b>TOTAL NON-HOUSING CAPITAL PROGRAMME</b>	<b>20,576</b>	<b>32,782</b>	<b>20,687</b>	<b>2,911</b>	<b>1,446</b>



## 2.4 NHCP Capital Financing

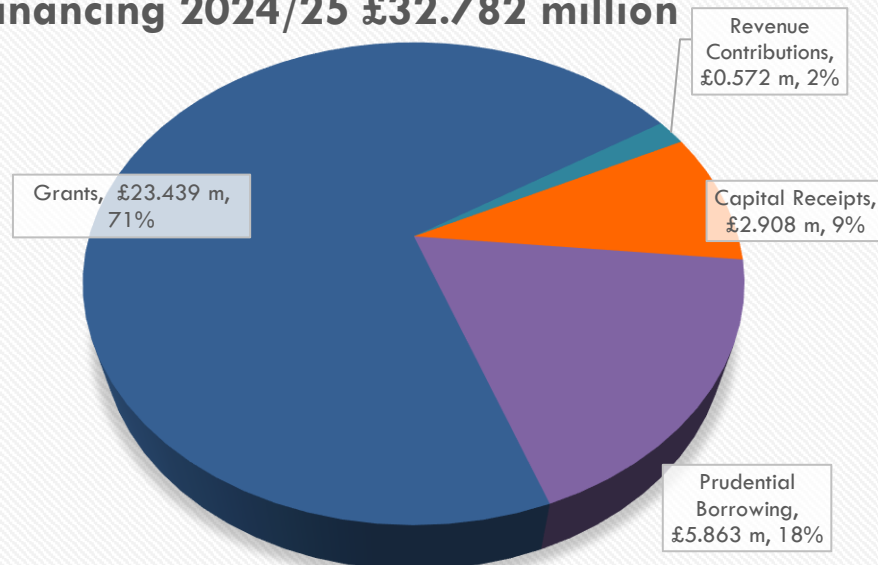
The table below, shows how the capital programme will be financed over the life of the MTFP. It is expected the majority of the programme will be funded by government grant funding, predominantly for the Towns Fund Project. The remaining small elements will be financed through Disabled Facilities Grant and revenue contributions for the Harvey Centre and Housing Garages.

After the above is taken into account, the Programme is funded from prudential (Internal) borrowing). The revenue implications of the borrowing have been factored into the General Fund Revenue account and is fully committed over the life of the MTFP. Any additional schemes that may arise in future years have not yet been financed through the MTFP.

FINANCED BY	Revised 2023/24 £'000s	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Grants - Towns Fund	(3,353)	(13,461)	(6,772)	-	-
Grants - Levelling Up	(1,295)	(9,352)	(9,352)	-	-
Grants - Other	(860)	(625)	(500)	(500)	(500)
Revenue Contributions - Harvey Centre	(435)	(375)	(266)	(266)	(266)
Revenue Contributions - Other	(143)	(197)	(136)	(136)	(136)
Capital Receipts	(2,000)	(2,908)	-	-	-
Prudential Borrowing	(12,491)	(5,863)	(3,660)	(2,009)	(544)
<b>TOTAL FINANCING</b>	<b>(20,576)</b>	<b>(32,782)</b>	<b>(20,687)</b>	<b>(2,911)</b>	<b>(1,446)</b>

Remaining elements of the NHCP will be financed through Capital Receipts and prudential borrowing.

### Financing 2024/25 £32.782 million



### Capital Receipts

Part of the NHCP is funded from capital receipts, the known estimated availability of those receipts are shown below.

**Table 5b - Movement in Non-Housing Capital Receipts**

Narrative	2022/23 Actual £000s	2023/24 Estimate £000s*	2023/24 Revised £000s*	2024/25 Estimate £000s*
Capital Receipts B/Fwd	(1,962)	(3,786)	(3,786)	(5,786)
Capital Receipts Received	(2,629)	0	(4,000)	0
Capital Receipts Used	805	0	2,000	2,908
Capital Receipts C/Fwd	(3,786)	(3,786)	(5,786)	(2,878)

## 3.1 HCP Summary

The Housing Capital Programme requires continued investment in Council dwellings to continue to improve and make safe the Council's housing stock. The Housing Core Programme has been updated to recognise priorities required by the enhanced fire, health and safety regulations.

## 3.2 HCP Revised Forecast 2023/24

Set out in below is a summary of the changes to the Non-Housing Capital Programme approved by Cabinet in November 2023

Explanations of changes were reported in the Quarter 2 Finance Performance Report, there was no reprofiling carried out in Quarter 1, and the majority in Quarter 2 was in relation to the Council House Build Programme (£10.075m). It is expected that further reprofiling will be required in Quarter 3 and Quarter 4, with final slippage confirmed at the end of the financial year.

### Quarter 2 Movement in the Housing Capital Programme

Budget Stage	Budget £000s	Cabinet
2023/24 Original budget	38,891	16/02/2023
2022/23 Total Year end budgets reprofiled	4,001	13/07/2023
2023/24 Current Budget	42,892	
2023/24 Budgets reprofiled at Quarter 1	0	07/09/2023
2023/24 Budgets reprofiled at Quarter 2	-10,575	30/11/2023
2023/24 Budget Allocations	1,898	30/11/2023
2023/24 Expected Reprofile for Quarter 3	-3,228	
<b>2023/24 Revised Budget</b>	<b>30,987</b>	

## 3.3 HCP Budget 2024/25

The HCP has been prepared in conjunction with the updated Housing Asset Management Plan (AMP) and the HRA Business Plan.

The programme has been prepared in line with the Council's corporate plan and Housing Revenue Account Business Plan priorities with the focus on Housing, Regeneration and fire safety works.

### HCP Adjustments to Estimates in the MTFP 2024/25

Budget Stage	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Original Budget as per 2023/24 MTFP	39,969	19,236	19,059	19,059
2023/24 Budgets reprofiled at Quarter 1	0			
2023/24 Budgets reprofiled at Quarter 2	10,575			
2023/24 Expected Reprofile for Quarter 3	3,228			
Sycamore Field	7,200			
Re-Profiling	-563	9,350	-50	-3,060
<b>Original Budget as per 2024/25 MTFP</b>	<b>60,409</b>	<b>28,586</b>	<b>19,009</b>	<b>15,999</b>

The AMP is compiled from the stock condition survey which identifies the capital expenditure required to maintain the housing stock over the next 30 years. Expenditure is broken down over individual components which form the core capital programme.

The Council's Housing Core Programme continues to deliver a set of internal / external works packages to meet the identified short, medium and long term asset management priorities outlined in the HRA Business plan.

Included within the 2024/25 programme is £7.2 million of expenditure required for the fire safety remediation works at sycamore field, which is being reported to cabinet on 15 February 2024.

Minor reprofiling has taken place, within the rest of the programme.

## Council House Build Programme (CHBP)

The current house build programme has seen all schemes achieve planning permission and are on site for pre-construction related matters.

A proposed scheme at Lower Meadow (Solohaus) will see a planning application submitted shortly.

The programme will see 95 units delivered with a further 8 units at Lower Meadow at £nil cost to the Council, so does not feature in the table.

The complete list of schemes are set out and are included within the NHCP summary.

<b>Council House Building Programme</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Elm Hatch	250	2,000	750
The Yorkes	1,000	1,500	
Arkwrights	1,100	2,400	
Woodleys	300	2,650	
Perry Road	375	5,000	4,000
Staple Tye Depot	250	3,500	700
Parnall Road	250	4,000	1,000
Sherards House	100	3,900	2,500
Pytt Field	50	2,000	450
Potter Street Neighbourhood Office	50	700	
<b>Council House Building Programme</b>	<b>3,725</b>	<b>27,650</b>	<b>9,400</b>



## Housing Capital Programme Programme

### Housing Capital Programme 2023/24 to 2027/28

SCHEMES	Revised 2023/24 £'000s	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Internal Works - Annual Service Charge	1,090	1,139	1,161	1,185	2,007
Internal Works - Compliance	1,937	1,100	900	900	400
Internal Works - Energy Efficiency	1,327	1,100	100	100	100
Internal Works - Aids & Adaptations	1,024	1,000	1,000	1,000	1,000
Internal Works - Roofing	-	2,000	1,500	1,500	1,000
Internal Works - Internal	3,384	2,600	2,800	4,000	2,600
<b>Decent Homes Standard</b>	<b>8,761</b>	<b>8,939</b>	<b>7,461</b>	<b>8,685</b>	<b>7,107</b>
External Works	7,143	7,150	7,050	5,050	4,050
Damp & Structural Works	1,600	1,600	600	1,100	940
Other Works					
Fire Safety & Compliance	6,765	12,600	3,500	3,500	3,400
Energy Efficiency Works	-	100	100	100	100
Housing IT	326	255	50	80	30
Contingency	-	500	228	260	158
Stock Condition	-	250	-	-	-
Garages	344	215	197	234	214
Sumners Farm Close	-	300	-	-	-
Property Conversions	102	350	-	-	-
Garage Demolition Programme	1,295	500	-	-	-
<b>TOTAL CORE HOUSING CAPITAL PROGRAMME</b>	<b>26,336</b>	<b>32,759</b>	<b>19,186</b>	<b>19,009</b>	<b>15,999</b>
Acquisitions	926	-	-	-	-
Council House Building Programme	3,725	27,650	9,400	-	-
<b>TOTAL NON CORE PROGRAMME</b>	<b>4,651</b>	<b>27,650</b>	<b>9,400</b>	<b>-</b>	<b>-</b>
<b>TOTAL HOUSING CAPITAL PROGRAMME</b>	<b>30,987</b>	<b>60,409</b>	<b>28,586</b>	<b>19,009</b>	<b>15,999</b>

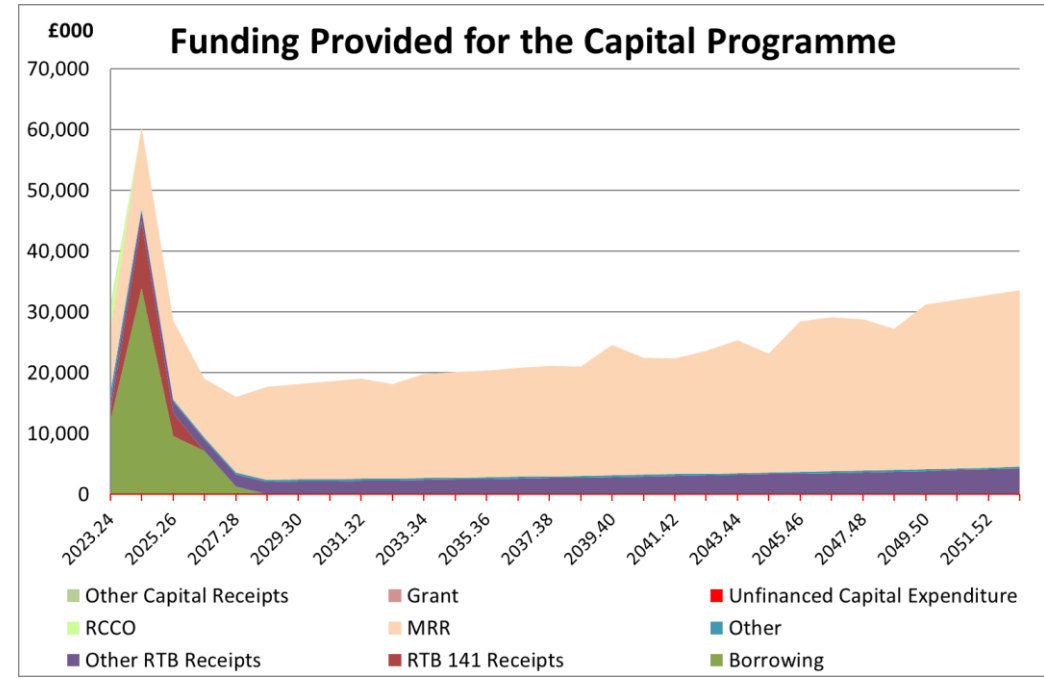
The programme includes a minimum of £6.989 million of works allocated to HTS Property and Environment Ltd in 2024/25. Proposed HTS works include disabled adaptations, compliance, garage refurbishments and internal and structural works.

## 3.4 HCP Financing

The HRA Business Plan shows the HCP has been prepared in accordance with the following principles:

That the HCP core projects are financed from contributions from the Major Repairs Reserve. Any shortfall will be financed from available housing capital receipts, direct revenue contributions and borrowing.

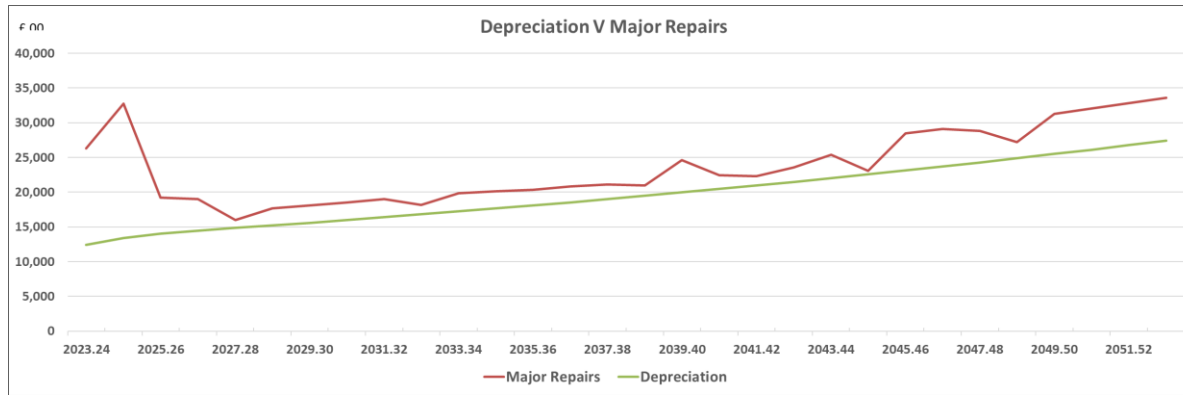
All other new build projects are financed from retained right to buy receipts and borrowing. Funding for the programme over the life of the business plan has been captured in the graph opposite.



### Major repairs Reserve (MRR)

In accordance with business plan assumptions the core element of the HCP should be financed from the MRR. The graph below shows how the MRR is compared to depreciation that is charged to the revenue account. It highlights there is sufficient balances within the major repairs reserve to fund future major works, but this does need to be considered with business plan in its entirety.

FINANCED BY	Revised 2023/24 £'000s	Budget 2024/25 £'000s	Budget 2025/26 £'000s	Budget 2026/27 £'000s	Budget 2027/28 £'000s
Revenue Contributions	(3,583)	-	-	-	-
Major Repairs reserve	(10,017)	(13,410)	(13,025)	(9,629)	(12,443)
Major Work Contributions	(300)	(300)	(300)	(300)	(300)
1-4-1 Receipts Used	(1,490)	(11,060)	(3,760)	-	-
RTB Receipts	(3,495)	(1,764)	(1,853)	(1,911)	(1,971)
Other Grants & Contributions	-	-	-	-	-
Prudential Borrowing	(12,102)	(33,875)	(9,648)	(7,169)	(1,285)
Capital Receipts	-	-	-	-	-
<b>TOTAL FINANCING</b>	<b>(30,987)</b>	<b>(60,409)</b>	<b>(28,586)</b>	<b>(19,009)</b>	<b>(15,999)</b>



## Housing Capital Receipts

The HRA Business Plan also assumes that new build projects will be financed from retained Right to Buy (RTB) receipts and borrowing.

Under the current rules 40 percent of the new build cost can be financed from retained RTB receipts, which must be used within 5 years from the end of the financial year in which receipts were retained. The balance will be financed from borrowing unless other resources are available.

Other Housing Capital receipts balances assume that 50% of the HTS Properties will be utilised, following decision made earlier in the year.

**Table 5a - Movement in Other Housing Capital Receipts**

Narrative	2022/23 Actual £'000s	2023/24 Estimates £'000s	2023/24 Revised £'000s	2024/25 Estimates £'000s
Balance as at 1 April	(5,317)	0	(3,931)	(1,452)
Other Housing Capital Receipts Received	(307)	0	(1,016)	(1,919)
Other Housing Capital Receipts Used	1,693	0	3,495	1,764
Balance as at 31 March	(3,931)	0	(1,452)	(1,607)

**Table 5c - Movement in Retained Right to Buy (RTB) Receipts**

Operating Account	2022/23 Actual £'000s	2023/24 Original £'000s	2023/24 Revised £'000s	2024/25 Estimates £'000s
Balance as at 1 April	(13,006)	(17,280)	(18,677)	(22,518)
Receipts Retained from RTB	(5,727)	(6,609)	(5,331)	(4,433)
Receipts Used to Finance New Builds	56	5,320	1,490	11,060
Balance as at 31 March	(18,677)	(18,569)	(22,518)	(15,891)

## 4.1 Glossary Terms

HDC	Harlow District Council
MTFP	Medium Term Financial Plan
HRA	Housing Revenue Account
HCP	Housing Capital Programme
NHCP	Non Housing Capital Programme
AMP	Asset Management Plan
MRR	Major Repairs Reserve
RTB	Right to Buy
DLUHC	Department of Levelling Up, Housing and Communities
RCCO	Revenue Contribution to Capital Outlay
CHBP	Council House Build Programme
EZ	Enterprise Zone
HTS	Harlow Trading Services