

APPENDIX E

Capital Programme Outturn 2021/22

	21/22	Q4	Total	21/22	21/22	22/23	22/23	23/24	24/25
Strategic Function	Budget	Adjust- ment	Budget	Spend	Carry- forward	Budget	Combined Budget	Budget	Budget
Adults Care & Support	1,582	0	1,582	1,148	434	1,022	1,456	-	-
Community Solutions	74	0	74	70	4	0	4	-	-
CIL	1,501	0	1,501	925	576	0	576	-	-
Culture, Heritage & Recreation	8,894	0	8,894	3,107	5,787	2,848	8,635	250	-
Enforcement	724	0	724	705	19	2,235	2,254	-	-
Inclusive Growth	10,236	0	10,236	4,513	5,723	0	5,723	-	-
Transport for London schemes	1,446	0	1,446	1,114	332	0	332	-	-
My Place	7,144	0	7,144	5,548	2,809	5,190	7,999	5,190	-
Public Realm	1,657	0	1,657	1,386	271	858	1,129	-	-
Education, Youth and Childcare	44,093	0	44,093	26,592	17,501	20,889	38,390	24,263	-
Devolved Formula Capital	1,650	0	1,650	1,857	0	0	0		
Other	1,765	0	1,765	360	1,405	200	1,605	-	-
General Fund	80,766	0	80,766	47,326	34,861	33,242	68,103	29,703	0
HRA									
Stock Investment (My Place)	35,129	0	35,129	16,348	18,788	28,500	47,288	23,000	23,000
Estate Renewal (Be First)	5,155	0	5,155	6,953	-1,798	12,045	10,247	-	-
New Build Schemes (Be First)	2,930	-22	2,908	667	2,241	0	2,241	-	-
HRA Total	43,214	-22	43,192	23,968	19,231	40,545	59,776	23,000	23,000
IAS									
Residential Developments	271,678	26,011	297,689	271,049	26,640	450,484	477,124	337,837	201,649
Temporary Accommodation	5,439	310	5,749	945	0	0	0	-	-
Commercial Investments	29,252	4,069	33,321	10,929	22,392	13,446	35,838	-	-
IAS Total	306,369	30,390	336,759	282,923	49,032	463,930	512,962	337,837	201,649
Transformation									
Dispersed Working	1,220	0	1,220	412	808	0	808	0	0
Core	2,119	0	2,119	968	1,151	1,110	2,261	-	-
ERP	4,701	0	4,701	4,813	-112	1,138	1,026	-	-
Transformation	8,040	0	8,040	6,194	1,847	2,248	4,095	0	0
Total	438,389	30,368	468,757	360,411	104,971	539,965	644,936	390,540	224,649

1. **General Fund** (Percentage of 2021/22 budget delivered)
 - 1.1 **Adults Care & Support (73%):** The adaptations project is dependent on Occupational Therapists and due to their national shortage alongside supply issues with building materials (microchips) the expected levels (120) of assessment recommendations and therefore adaptations carried out was reduced (84). The DFG funding for this scheme allows for the unspent grant to be carried forward, which is planned to meet the backlog of residents on a waiting list (600) with 173 identified as potential DFG cases.
 - 1.2 **Community Solutions (95%):** Bespoke redevelopment in Barking Learning Centre & Dagenham Library were successful with alterations made to the ground and first floor to accommodate the touchdown space and relocate the existing library space, ensuring that all areas are made Covid compliant. Project is completed.
 - 1.3 **Core (46%):** Keep the lights on project benefitted from a successful procurement of local/wider area network, resulting in professional and hardware costs below market forecasts, internal utilisation of resources as opposed to reliance on contractors further reduced costs. The project was also able to utilise funding sources separate to reported budget but were mainly funded from capital receipts. Some projects are planned to commence in 2022/24, with requests to carry forward the remaining budget.
 - 1.4 **CIL Third Party Schemes (62%):** Box up crime has had a number of issues and additional funding will be provided via My Places' Stock Condition Survey to bring the building up to standard. East End Women's Museum lag has been due to the process of appointing new necessary design teams and contractors.
 - 1.5 **Culture, Heritage & Recreation (35%):** Most projects were delayed, and underspends will be carried forward into 2022/23. There have been a number of issues, including significant cost increases, within recreation, with an update provided in a separate report on Parsloes Park.
 - 1.6 **Enforcement (97%):** CPZ accelerating in delivery with Enforcement Equipment underspent.
 - 1.7 **Inclusive Growth (44%) and TfL (77%):** TfL fund drawdown to continue in 2022/23.
 - 1.8 **My Place (78%):** Due to Covid, Bridges and Structures were delayed as inspections of all 81 structures through 2021/22 delayed as safe working practices had to be implemented. The Bridge Replacement will be taken forward in 2022/2023 with money earmarked for statutory maintenance responsibilities which are planned for Summer 2023.

Majority of budget is earmarked for a Bridge Replacement, which could not take place in 2021/22 due to Covid impacts on the Environmental Agency Elements which ensures nil impact on wildlife. The Bridge Replacement will be taken forward in 2022/2023.

There is a larger scaled flood relief programme being determined, therefore remaining budget on this project is expectant to be committed once current flood alleviation bids have been considered.

Stock Conditions forecasts full programme of delivery for 2022/23. As some schemes delayed in 2022/21.

Dispersed Working & Community Hubs works and equipment connected to the roll-out timetable of dispersed working & community hubs, planned between 2021-2023. The remaining budget represents projects planned for 2022/23.

- 1.9 **Public Realm (84%):** Vehicle Fleet replacement progressed well, with completion in 2022/23. Many vehicles have to be replaced now as they will not comply with the extension of the boundaries of ULEZ. Chadwell Heath Cemetery works budget not utilised, although works have progressed under My Place's Stock Conditions.
- 1.10 **Education, Youth and Childcare (60%):** Generally, the COVID effect continues through the construction industry supply chain. Prices are increasing and there are various material shortages. Overall, projects are being developed. Greatfields Secondary School is complete and the teaching operation which was temporarily located at 40 Thames Road has now relocated to its new home. The expansion project at Rose Lane Primary is now nearing completion. Many SEND environments are often complex and took longer to develop, many have been improved and the programme continues as demand rises.

Greatfields Primary was delayed due to Department of Education project go-ahead. The Basic Need project at Jo Richardson Community School to build science classrooms has been delayed due to tender returns being significantly over budget. Negotiations have since taken place and the project will recommence in the 2022/23.

Various minor Basic Need projects across existing schools are planned for progression to manage the expanding pupil population. It should be noted that the £12.1m future years budget is still being developed and subject to Cabinet agreement.

- 1.11 **Other (20%):** Conservation area townscape project underspent by 69%, no business plan has been submitted for 82A and 82B Oval Rd South.

2. HRA Capital (55%)

- 2.1 The HRA capital programme is self-financed by the HRA using a mixture of Government grants, capital receipts and HRA revenue funding. Overall, the stock investment expenditure for 2021/22 is £15.8m against a budget of £35.1m.
- 2.2 The programme is delivered through the Major Works Teams of Be First, BDMS and My Place and delivery continued to be a challenge as the Country began the recovery from the Covid Pandemic. Supply chains continued to be disrupted with significant renegotiations taking place across a range of contracts and projects.
- 2.3 A significant number of projects in the current programme include S20 leaseholder consultation, which extends the overall delivery timescales and many of the larger

schemes are taking longer than 12 months to specify and delivery. A specific legal challenge from leaseholders led to at least one of the projects being reviewed.

- 2.4 For some projects, spend is behind the level of delivery and the timely submission of invoices continues to be an issue, which distorts the level of delivery against spend and this is reflected in the continuing increase in decency within the stock. As of Q4 21/22, decency levels stood at 92.5%, an increase of 0.6% from 20/21 (91.9%). Decency figures are submitted to the Government in June each year and appear on the Government website in the following November.
- 2.5 My Place are working with Delivery Agents on the development of a 4-year future stock investment programme which will continue with external works associated with the blocks (including leaseholder contributions) and works associated with the focus on compliance related projects and energy efficiency schemes.
- 2.6 New build spend of £0.7m was £2.3m below the budget for the year.
- 2.7 Estate renewal spent £6.9m against a budget of £5.2m, overspent by £1.75m. The renewal has continued the support the relocation of Tenants and Leaseholders to facilitate the Boroughs Estate Regeneration programme. This overspend is mainly attributed to acquiring leasehold interests in later phases of the Gascoigne programme and will result in a positive impact to later phases limiting the requirement to acquire by compulsory purchase orders and at higher values.

3. Investment and Acquisitions Strategy (84%)

- 3.1 A total of £281.3m was spent in 2021/22 against a budget of £336.8m. Spend was on residential (£269.7m – 91% delivered), temporary accommodation (£0.9m – 17% delivered due to one scheme being delayed) and commercial investments (£10.7m – 32% delivered due to a delay with Industria).
- 3.2 A more detailed outline of the Investment and Acquisitions spend in 2021/22 and the performance of the assets is included in the Treasury and Investments outturn report at the June 2022 Committee and the IAS Update report, agreed by Cabinet in April 2022.

4. Transformation

- 4.1 Expenditure relating to transformation is actually revenue expenditure funded from capital receipts under the Flexible Use of Capital Receipts direction, which allows transformational projects resulting in savings to be funded through capital receipts. Schemes include IT implementations and process improvements across all services.
- 4.2 A Flexible Use of Capital Receipts strategy is presented to Cabinet annually in February, along with an update of savings made from improvements implemented. The Government recently extended this scheme for a further three years (as 2021/22 was due to be the final year), allowing use of capital receipts to fund transformation-related revenue expenditure until 31 March 2025.

- 4.3 Transformation budget remaining has been included as a preliminary figure, as it is subject to capital receipts profit to be determined in near future pending Cabinet approval via Revenue reporting.