

Report to the Cabinet

Report reference: C-029-2024/25

Date of meeting: 7 October 2024



**Epping Forest
District Council**

Portfolio: Finance & Economic Development – Cllr. Holly Whitbread

Subject: Capital Programme Update 2025/26 to 2029/30

Responsible Officer: Chris Hartgrove 01992 564000 (Ext. 2532)

Democratic Services Officer: V Messenger (democraticservices@eppingforestdc.gov.uk)

Recommendations/Decisions Required:

- 1. To note the contents of the report, including both the updated General Fund and Housing Revenue Account Capital Programmes (2025/26 to 2029/30) at *Appendix A*; and**
- 2. Discuss and agree actions required (in the context of the updated Medium-Term Financial Plan) for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2024.**

Executive Summary:

- 1.1 Cabinet approved the Financial Planning Framework (2025/26 to 2029/30) at its meeting on 2nd September 2024 and committed to receiving and considering an updated Capital Programme for 2025/26 to 2029/30. This provides essential context and is a key part of early budget preparations for 2025/26.**
- 1.2 The updated (indicative) Capital Programme is in two parts and comprises total investment of £179.422 million (General Fund £31.463 million, Housing Revenue Account £147.959 million) over the five-year period 2025/26 to 2029/30.**
- 1.3 The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2025/26 to 2029/30.**

General Fund Capital: Updated Summary (Indicative only)

- 1.4 The updated General Fund Capital Programme totals £31.463 million over the five-year period and is summarised – by service – in the table below.**

Draft General Fund Capital Programme 2025/26 to 2029/30 (Service Summary)						
Service	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Contracts, Partnerships & Procurement	14,417	30	30	30	30	14,537
Regulatory Services	1,239	1,201	1,272	1,292	1,167	6,171
ICT & Transformation	1,219	1,024	993	993	993	5,222
Housing (Property Services)	2,303	300	300	300	300	3,503
Qualis	2,030	0	0	0	0	2,030
Totals	21,208	2,555	2,595	2,615	2,490	31,463

- 1.5 Given the Council's challenging financial position, growth proposals at this stage are limited to 2029/30 routine 'rolling items' of £2.490 million (of which £1.137 million is funded by Government grant).
- 1.6 Members should note that growth items are indicative only at this stage (rather than clear budget proposals) and the views of Cabinet are sought to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2024.

Housing Revenue Account: Updated Summary (Indicative only)

- 1.7 The updated HRA Capital Programme totals £147.959 million and is summarised in the table below.

Draft HRA Capital Programme 2025/26 to 2029/30						
Description	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Housing Development Programme	21,273	15,437	2,550	0	0	39,260
Capital Works	14,744	12,194	21,227	27,638	24,932	100,735
Regeneration Schemes	3,000	0	0	0	0	3,000
Other Housing Schemes	741	660	707	1,562	1,295	4,964
Totals	39,758	28,290	24,484	29,200	26,227	147,959

- 1.8 The Programme is dominated by the Housing Development Programme (£39.260 million over five years) and routine Capital Works (£100.735 million over five years). The Housing Development Programme includes both New Build Properties and Qualis Acquisitions.
- 1.9 The next stage in the process will see the assumptions and projections in both the General Fund and HRA Capital Programmes further refined in accordance with the direction provided by Cabinet and emerging intelligence. This will include making the necessary adjustments to the 'capital consequences' assumed in revenue budgets.

Reason for Decision:

To provide an updated (initial) draft Capital Programme for the Cabinet's consideration, to allow discussion and direction in the further development of the Programme to balance the need to deliver on the Council's corporate priorities, whilst maintaining a balanced budget and achieving long-term financial sustainability.

Options:

The report provides an initial look at the Council's potential capital commitments over the next five years (2025/26 to 2029/30) and sets the context for the estimated capital financing costs included in the updated Medium-Term Financial Plan (MTFP) 2025/26 to 2029/30, included elsewhere on this agenda.

Cabinet is invited to discuss and agree (from a range of options) actions required for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2024.

Scrutiny Comments:

None at this stage. The updated MTFP 2025/26 to 2029/30 (including Budget Strategy 2025/26) and Capital Programme 2024/25 to 2028/29 is scheduled for presentation to the Overview & Scrutiny on 29th October 2024. Relevant comments made at that meeting will be taken forward for consideration by Cabinet on 9th December 2024.

Resource Implications:

As set out in the report. The Capital Programme interacts with the Medium-Term Financial Plan (MTFP) with the 'revenue consequence' reflected in the Capital Financing costs provided for in the MTFP.

Legal and Governance Implications:

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2025/26 to 2029/30).

Safer, Cleaner, Greener Implications:

There are no direct SCG implications contained within the report, although the implications will be considered in the detailed development of Budget proposals.

Consultation Undertaken:

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, which is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focused around the delivery of the Council's Corporate Plan 2023-2027 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

Background Papers:

General Fund & HRA Capital Programme 2024/25 to 2028/29 (full Council 20th February 2024).

Risk Management:

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

Equality:

Consideration will be given to equality and diversity issues in respect of any budget changes that may emerge during the development of budget. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.