

Draft Capital Programme 2025/26 to 2029/30

GENERAL FUND & HRA*October 2024***1. Background and Introduction**

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan since long-term investment is required to deliver many of the objectives in the Plan. The draft Capital Programme presented is a rolling five-year programme. It updates the five-year Programme adopted by the Council in February 2024 and takes account of spending and other developments up to 30th September 2024.
- 1.2 The updated 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 initial draft Capital Programme for 2025/26 to 2029/30.

2. General Fund Capital Programme 2025/26 to 2029/30 (Annex 1)*General Fund Capital: Budget Growth (Indicative)*

- 2.1 Given the Council's challenging financial position, indicative growth proposals at this stage are primarily limited to 2029/30 routine "rolling items" of £2.490 million (of which £1.137 million is funded by Government grant). The indicative proposals at this stage are summarised in the table below.

General Fund Capital Programme 2025/26 to 2029/30: Budget Growth (Indicative)					
Description	2025/26	2026/27	2027/28	2028/29	2029/30
	£000's	£000's	£000's	£000's	£000's
<i>Commercial & Technical</i>					
Disabled Facilities Grants (DFG)	166*	166*	166*	166*	1,137*
Home Assist Grants	0	0	0	0	30
Grounds Maintenance	0	0	0	0	30
<i>ICT & Transformation</i>					
ICT Strategy	0	0	0	0	900
ICT General Schemes	0	0	0	0	93
<i>Housing (Property Services)</i>					
Planned Works on Investment Properties	0	0	0	0	250
Planned Works on Operational Properties	0	0	0	0	50
Totals	166	166	166	166	2,490

* Funded exclusively by Government Grant

2.2 The views of Cabinet are sought at this stage to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2024. Of particular note:

- The growth items presented in the table have been rolled forward at current spending levels. Underlying costs (such as wages and materials) are increasing. This means that if the current level of investment is to be maintained, additional expenditure will be required.

General Fund Capital: Updated Summary

2.3 Taking account of the indicative growth proposals presented above in Paragraph 2.1, the updated 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

2.4 It should be noted that the table above *excludes* total unspent budget of £0.189 million (excluding Qualis loans) in 2024/25 (as at 30th June 2024). Subject to Member approval, unspent budgets in 2024/25 will automatically roll forward into 2025/26 and be available for the completion of pre-approved capital schemes.

2.5 The individual schemes in the table above include the following:

- **Contracts, Partnerships & Procurement (£14.437 million)** – the service is leading on three separate schemes, which are dominated by two in particular:
 - **Epping Leisure Facility (£10.487 million)** – the new Epping Leisure Facility is the single largest scheme included in the Programme (estimated overall cost £33.1 million, including budgeted spending of £17.183 million in 2024/25). The scheme is seeing the development of a replacement leisure facility for the existing (and aging) leisure facility in Epping (as well as the recently completed multi-story car park). Cabinet approved the addition of this scheme to the Capital Programme at its meeting on 21st January 2021 and further agreed to increase the budget by £8.1 million to £33.1 million in March 2023; and
 - **North Weald Airfield Control Tower (£3.9 million)** – this is a scheme to reconfigure and replace the existing Control Tower at North Weald Airfield following the disposal of a section of the site released under the Local Plan adoption process as employment land. The estimated overall cost of the scheme is £4.9 million, including budgeted spend of £1.0 million in 2024/25.
- **Regulatory Services (£6.170 million)** – the service is leading on four separate schemes, which is dominated by one in particular:
 - **Disabled Facilities Grants (£5.685 million)** – the Epping Forest District Council allocation for Disabled Facilities Grants (DFGs) is assumed to be maintained at current levels (£1.137 million annually), although this is an assumption that will be further reviewed in preparing more refined proposals for December 2024.
- **ICT & Transformation (£5.222 million)** – planned spending covers the Council's ICT capital investment needs (predominantly the ICT Strategy).
- **Housing (Property Services) (£3.503 million)** – the largest scheme is Debden Broadway which entails providing urgent major works to the roof and walkways; it is a mixed housing and commercial property site, with a budget of £2.0 million. The Asset Management Strategy (AMS) has an available budget of £1.503 million (this remains unallocated to schemes pending completion of the ongoing AMS review); and
- **Qualis (£2.030 million)** – assumed Qualis loan advances for 2025/26 are restricted to an Asset Purchase Loan of £2.030 million for the acquisition of Hemnall Street Sports Centre, following the completion of the new Epping Leisure Centre. Any other loan advances to Qualis in 2025/26 would fall within the remit of the ongoing review of the Qualis cashflow profile (as described in *Appendix A*).

3. Housing Revenue Account Capital Programme 2025/26 to 2029/30 (Annex 2)

3.1 The Housing Revenue Account Capital Programme has been updated as at 30th September 2024. The updated 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

3.2 It should be noted that the table above excludes total budgeted expenditure of £3.524 million in 2024/25 (as at 30th June 2024). Subject to Member approval, unspent budgets in 2024/25 will automatically roll forward into 2025/26 and be available for the completion of pre-approved capital schemes.

3.3 The Housing Development Programme and routine Capital Works dominate the Programme:

- **Housing Development Programme (£39.260 million)** – the Housing Development Programme includes a combination of (direct) Housebuilding and Acquisitions from Qualis. Thus:
 - Housebuilding (£30.482 million) – this is expected to deliver 88 affordable units plus 66 units from Qualis Acquisitions (6 social housing rent units, and 60 affordable rent units); and
 - Qualis Acquisitions (£8.778 million) – the Development Programme also includes the planned acquisition of 66 affordable rent and social housing rent properties across three sites: St. Johns (32), Roundhills (28) and Pyrles (6)
- **Capital Works (£100.735 million)** – planned Capital Works (which includes works on Windows, Doors, Roofing, Kitchens, Bathrooms etc.) over the five-year period average out at £20.147 million annually. Significant growth is expected from 2027/28 following the completion of the recent Stock Condition Survey, which has identified a requirement to significantly increase investment, especially in Replacement Heating.

3.4 Members should note that the data in the “Fortress” model has now incorporated the major Stock Condition Survey results (based on a 51% sample) completed in August 2023. The remaining 49% of stock is now being surveyed, although results are unlikely to be available until the early part of 2025. Once the exercise is complete, it will provide further accuracy and a more focussed assessment of the Council’s future need for capital investment in its Housing Stock.

General Fund Capital Programme 2025/26 to 2029/30

INDICATIVE DRAFT

General Fund Capital Programme MTFP 2025/26 to 2029/30 (@ October 2024)						
Scheme	Financial Years					
	2025/26 Updated	2026/27 Updated	2027/28 Updated	2028/29 Updated	2029/30 New (Indicative)	Total MTFP 2025/26 to 2029/30
	£'s	£'s	£'s	£'s	£'s	£'s
Contracts, Partnerships & Procurement						
NWA Replacement Control Tower	3,900,000	-	-	-	-	3,900,000
Grounds Maintenance	30,000	30,000	30,000	30,000	30,000	150,000
Epping Leisure Centre (Bakers Lane)	10,487,440	-	-	-	-	10,487,440
Sub-Totals	14,417,440	30,000	30,000	30,000	30,000	14,537,440
Regulatory Services						
CCTV Replacement Programme	54,000	34,000	100,000	106,000	-	294,000
CCTV Systems - Carparks	18,000	-	5,000	19,000	-	42,000
Disabled Facilities Grants (REFCuS)	1,136,990	1,136,990	1,136,990	1,136,990	1,136,990	5,684,950
Home Assist Grants (REFCuS)	30,000	30,000	30,000	30,000	30,000	150,000
Sub-Totals	1,238,990	1,200,990	1,271,990	1,291,990	1,166,990	6,170,950
ICT & Transformation						
ICT General Schemes	93,000	93,000	93,000	93,000	93,000	465,000
ICT Strategy	1,126,000	931,000	900,000	900,000	900,000	4,757,000
Sub-Totals	1,219,000	1,024,000	993,000	993,000	993,000	5,222,000
Housing (Property Services)						
Investment Properties (Planned Works)	250,000	250,000	250,000	250,000	250,000	1,250,000
Debden Broadway Regeneration Scheme	2,000,000	-	-	-	-	2,000,000
Operational Properties (Planned Works)	53,000	50,000	50,000	50,000	50,000	253,000
Sub-Totals	2,303,000	300,000	300,000	300,000	300,000	3,503,000
Qualis						
Regeneration Finance Loans	2,030,000	-	-	-	-	2,030,000
Sub-Totals	2,030,000	-	-	-	-	2,030,000
Total Expenditure	21,208,430	2,554,990	2,594,990	2,614,990	2,489,990	31,463,390
Capital Financing Analysis:						
Capital Grants	1,136,990	1,136,990	1,136,990	1,136,990	1,136,990	5,684,950
Capital Receipts	4,719,620	816,960	814,270	811,560	808,820	7,971,230
Borrowing	15,351,820	601,040	643,730	666,440	544,180	17,807,210
Total Financing	21,208,430	2,554,990	2,594,990	2,614,990	2,489,990	31,463,390

Housing Revenue Account Capital Programme 2025/26 to 2029/30

INDICATIVE DRAFT

HRA Capital Programme MTFP 2025/26 to 2029/30 (@October 2024)						
	Financial Years					
	2025/26 Updated	2026/27 Updated	2027/28 Updated	2028/29 Updated	2029/30 New (Indicative)	Total MTFP 2025/26 to 2029/30
Schemes	£'s	£'s	£'s	£'s	£'s	£'s
Housing Development Programme:						
Housebuilding	14,966,080	12,965,780	2,550,110	-	-	30,481,970
Qualis Acquisitions	6,307,260	2,470,900	-	-	-	8,778,160
Sub-Totals	21,273,340	15,436,680	2,550,110	-	-	39,260,130
Capital Works:						
Heating	2,190,150	627,070	3,634,410	2,192,270	2,821,880	11,465,780
Windows, Door and Roofing	1,424,930	584,010	2,472,070	4,032,150	4,415,050	12,928,210
Compliance Planned Maintenance	1,830,520	1,602,760	1,630,260	2,609,700	207,860	7,881,100
Kitchens & Bathrooms (inc void allocation)	2,916,450	1,539,700	2,501,600	4,002,740	4,620,210	15,580,700
Electrical	1,799,690	1,798,350	3,368,450	2,119,520	2,080,680	11,166,690
Net Zero Carbon Works	1,000,000	2,500,000	3,500,000	3,500,000	3,250,000	13,750,000
Environmental	642,520	470,730	941,950	4,467,610	3,336,470	9,859,280
Structural works	1,320,720	1,549,200	1,433,040	2,758,570	2,219,120	9,280,650
Disabled Adaptations	1,082,780	1,084,440	1,086,130	1,087,850	1,154,170	5,495,370
Asbestos Removal	334,940	341,640	348,470	355,440	351,070	1,731,560
SCS Unsurveyed Blocks	201,410	95,860	310,800	511,740	475,860	1,595,670
Sub-Totals	14,744,110	12,193,760	21,227,180	27,637,590	24,932,370	100,735,010
Regeneration Projects:						
Debden Broadway	3,000,000	-	-	-	-	3,000,000
Sub-Totals	3,000,000	-	-	-	-	3,000,000
Other Housing Schemes:						
Service Enhancements (General)	387,510	343,880	513,200	531,000	1,076,050	2,851,640
Service Enhancements (HFFHH)	167,600	126,550	-	-	-	294,150
Sheltered Block Refurbishments	185,640	189,350	193,140	197,000	200,940	966,070
Emergency Alarm Upgrades	-	-	-	-	17,670	17,670
Sheltered Housing Works	-	-	-	834,140	-	834,140
Sub-Totals	740,750	659,780	706,340	1,562,140	1,294,660	4,963,670
Total Expenditure	39,758,200	28,290,220	24,483,630	29,199,730	26,227,030	147,958,810
Capital Financing Analysis:						
Grants	11,145,000	4,319,000	1,533,000	1,200,000	1,200,000	19,397,000
S106 Contributions	1,495,000	-	-	-	-	1,495,000
Capital Receipts	4,073,000	1,014,000	78,000	77,000	76,000	5,318,000
Major Repairs Reserve	11,281,000	11,507,000	11,737,000	11,972,000	12,211,000	58,708,000
Direct Revenue Contributions	3,288,000	3,525,000	4,167,000	4,485,000	4,629,000	20,094,000
Borrowing	8,476,200	7,925,220	6,968,630	11,465,730	8,111,030	42,946,810
Total Financing	39,758,200	28,290,220	24,483,630	29,199,730	26,227,030	147,958,810