

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 16/12/2024

Subject: Capital Programme Monitor and Budget Variations 2024/25 (Quarter 2)

Report of: Councillor Rowan Ree, Cabinet Member for Finance and Reform

Responsible Director: Sukvinder Kalsi, Executive Director of Finance & Corporate Services

SUMMARY

The Council's Corporate Plan for 2023-26 sets out the Council's strategy for delivering on the ambitions and vision to transform its services and spend and invest money to help protect high quality essential services for its residents.

A key value is Building Shared Prosperity, and the Council's overall financial strategy includes significant capital investment in the infrastructure of the Borough and this in turn supports the delivery of the Council's key priorities and strategies. These are:

- build a better future for children and young people
- foster inclusive, sustainable economic growth for everyone
- build more affordable, accessible, safe and sustainable housing
- deliver high quality housing services

All capital programmes are complex and involve considerable local community engagement, procurement, and planning considerations. The capital expenditure forecast for the second quarter 2024/25 is £274.1m and includes:

- £81m investment in acquiring and building new affordable housing and supported accommodation in the Borough
- £80.8m maintaining the existing council homes to ensure compliance and building affordable new homes for residents
- £14.4m ensuring the safety of Hammersmith Bridge and progressing the stabilisation work
- £12.9m investment in transport infrastructure
- £11.3m spend on public realm and protection, climate change initiatives and waste collection
- £4.1m investment in school maintenance and decarbonisation schemes and SEN sufficiency provision
- £3.7m investment in disabled facilities adaptation works and social care capital projects

Work is also continuing to complete the Civic Campus development that will re-open the iconic town hall to the public, which will rejuvenate and regenerate an important part of the Borough, providing a vibrant entertainment, arts, business, education, and social destination featuring world-class architecture.

The details of the forecast capital programme for the financial year 2024/25 (including the financing of the programme for the year) and the future years are set out in the report.

RECOMMENDATIONS

1. To note the overall forecast of £274.1m for 2024/25 capital expenditure which is a net decrease of £20m in comparison to the first quarter forecast of £294.1m.
2. To approve the updated four-year capital programme for 2024-2028 of £643m, as detailed in Appendix 1. This is a net increase of £66.6m in comparison to the four-year programme of £576.4m approved at Full Council in February 2024.
3. To approve an additional budget envelope of £1.45m for various General Fund capital schemes, funded from reserves (£1.3m), and borrowing (£0.150m) as detailed in paragraph 3 of the report.
4. To note the revenue impact of any additional borrowing, as outlined in the Economic and Strategic Overview section.
5. To approve £22.767m of s106 funding allocations for various capital schemes, as detailed in Appendix 5. The specific projects will be added to the capital programme once the programme of works has been identified and the schemes' budgets are approved.
6. To delegate to the Strategic Head of Regeneration & Development ,in consultation with the Executive Director for Finance, the use of any unspent Right to Buy 1-4-1 receipts at risk of repayment to the Ministry of Housing, Communities and Local Government (MHCLG) to acquire homes on the open market without use of any additional borrowing, as described in paragraph 4 of this report.
7. To note the prudential indicators presented in Appendix 4, as per Prudential Code requirements.

Wards Affected: All

The capital programme contains schemes and projects which are directly linked to the Council's priorities.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	All capital investment decisions are required to be underpinned by a robust business case that sets out the full costs, funding and risks and any expected financial return alongside the broader outcomes including economic and social benefits. This report provides detailed analysis of the Council's capital programme financial position and highlights

	potential risks and their impact on the Council's resources.
Building shared prosperity	We need to always confirm that spend fits our council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business, and every penny counts. The council will continue to invest in our ambitious housing development programme and work through the planning system to enable 3,000 new energy-efficient 50% genuinely affordable homes to be built.
Creating a compassionate council	As the council's resources have been reduced, we have protected the services on which the most vulnerable residents rely.
Doing things with local residents, not to them	A significant proportion of services are delivered in partnership with local and national companies, and this will continue to promote all business sectors to the benefit of residents. The proposals will implement the Disabled People's Housing Strategy, working in co- production with disabled residents.
Taking pride in H&F	The strategy proposals include significant investment in public realm services, to maintain world-class parks, open spaces, and cemeteries, making sure that parks are a safe space for residents. The proposals also are continuing to invest in CCTV so that residents feel secure in their homes and on the streets.
Rising to the challenge of the climate and ecological emergency	The council has approved a Climate and Ecology Strategy and action plan to deliver its target of net zero greenhouse gas emissions in the borough by 2030. It has been shaped by the work of the resident-led Climate and Ecological Emergency Commission, who worked closely with the Council's Climate Unit and was devised by ten cross-departmental officer working groups.

Financial Impact

This report and its contents are wholly of a financial nature.

Andre Mark, Head of Finance (Strategic Planning and Investment), 18 of October 2024

Legal Implications

There are no direct legal implications in relation to this report. Legal advice will be sought for each Procurement within the programme which will need to comply with the Council's Contract Standing Orders and Financial Regulations.

Jade Monroe, Chief Solicitor, 23 October 2024

Background Papers Used in Preparing This Report

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report:

- Capital Programme 2024-28 (published February 2024)
[Four Year Capital Programme.pdf \(lbhf.gov.uk\)](#)
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ECONOMIC AND STRATEGIC OVERVIEW

The macro-economic picture is still one of relative uncertainty despite an improving picture. The previous environment of the highest interest rates and inflation seen for a generation has had a significant impact on the cost of materials, labour, and funding costs.

Inflation has come down to 1.7% as at September 2024 after being consistently above the Government target of 2% throughout the previous 2 financial years. The rate of inflation has remained relatively consistent in this financial year, and it is hoped this will provide more stability to cost pressures experienced over previous periods.

The headline Bank of England interest rate remains high (currently 5% compared to 0.25% in December 2021) however it has reduced by 0.25% in recent months and there are indications that further reductions may be forthcoming as the inflationary pressures subside.

For the Council, the interest rate regarding long-term borrowing from the Public Works Loans Board (PWLB - where most of the external borrowing is sourced) now stands at 5.3% for General Fund borrowing and 4.7% for HRA borrowing. This is compared to 1.5% in December 2021 (so borrowing is now more than 3 times more expensive than at December 2021).

The Council's underlying need to borrow (Capital Financing Requirement - CFR) to support the capital programme is forecast to increase by £331m over the next 4 years (£63.6m regarding the headline General Fund CFR and £268.3m regarding the Housing Revenue Account). CFR in relation to self-financing schemes and finance leases is expected to reduce by £31m, mainly due to anticipated loan repayments due to the Council in 2024/25 and 2025/26.

For illustrative purposes it is currently estimated that the increase of £63.6m in the General Fund CFR will result in an estimated additional revenue budget requirement of £5.4m¹ per annum by 2027/28.

These potential revenue implications will need to be reflected in the Council's Treasury Management Strategy and its overall Medium Term Financial Strategy.

¹ Current cost of borrowing rate of 8.44% calculated using the latest discounted certainty PWLB interest rate of 5.2% and minimum revenue provision (MRP) of 3.24%. MRP on new developments is charged at 2%.

CAPITAL PROGRAMME 2024/25 – Q2 OVERVIEW

- The updated Quarter 2 2024/25 capital programme is summarised in Table 1. The programme forecast for the year has decreased by £20m to £274.1m in comparison to the first quarter. All the variations are detailed in Appendix 1.

Table 1 – LBHF Capital Programme 2024/25 with proposed Q2 variations

	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	Revised Budget 2024/25 £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Slippages / Reprofiling from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000
CAPITAL EXPENDITURE									
People	7,915	3,730	11,645	7,740	2,164	(3,080)	(825)	-	(3,905)
Place (General Fund)	100,049	6,700	106,749	104,965	24,435	(4,310)	4,777	(2,251)	(1,784)
Finance & Corporate	7,587	(4,671)	2,916	2,051	478	(865)	-	-	(865)
Housing (General Fund)	-	-	-	2,251	-	-	-	2,251	2,251
Sub-total (General Fund)	115,551	5,759	121,310	117,007	27,077	(8,255)	3,952	-	(4,303)
Place (HRA)	72,538	13,564	86,102	78,555	21,787	(7,547)	-	-	(7,547)
Housing (HRA)	75,570	11,073	86,643	78,517	24,758	(8,126)	-	-	(8,126)
Sub-total (HRA)	148,108	24,637	172,745	157,072	46,545	(15,673)	-	-	(15,673)
Total Expenditure	263,659	30,396	294,055	274,079	73,622	(23,928)	3,952	-	(19,976)
CAPITAL FINANCING									
Specific/External Financing:									
Use of specific resources (grant/section106/receipts)	76,864	17,961	94,825	93,761	40,052	(4,876)	3,812	-	(1,064)
Borrowing-General Fund	53,081	(9,933)	43,148	38,606	11,656	(4,692)	150	-	(4,542)
Self-financing borrowing - General Fund	29,914	3,745	33,659	33,659	3,093	-	-	-	-
Borrowing -HRA	103,800	18,623	122,423	108,053	18,820	(14,360)	(10)	-	(14,370)
Total Capital Financing	263,659	30,396	294,055	274,079	73,622	(23,928)	3,952	-	(19,976)

- Details of the main departmental spend areas and the analysis of variance to the 24/25 are set out below.

CAPITAL PROGRAMME 2024/25 – DEPARTMENTAL SPEND FORECAST AND VARIANCE ANALYSIS (QUARTER 2)

PLACE

Programme	2024/25 Original Budget (Full Council) £'000	<i>Adjustment to Approved Budget / Slippages</i> £'000	Revised Budget 2024/25 (Q1) £'000	2024/25 forecast (Q2) £'000	2024/25 Actual spend to date £'000	Total Variances £'000	Variance Analysis
Development Programme	40,867	(3,279)	37,588	30,961	8,171	(6,627)	£6.8m slippage mainly due to Lille Road and Farm Lane cashflow forecast adjustments. £0.15m additional budget request with regards to Mund Street refurbishment
Regeneration Capital Schemes	36,033	17,653	53,686	52,916	14,208	(770)	Budget reprofiling to 2025/26 with regards to Old Laundry Yard scheme
Planning and Corporate Property	8,694	3,305	11,999	7,878	1,925	(4,121)	£1.9m budget for Carnwath Road slippage to future years, £2.3m budget transfer to Housing for supported accommodation acquisition.
Civic Campus	57,116	(1,278)	55,838	53,166	13,083	(2,672)	Slippage with regards to Hammersmith Town Hall due to project delays
Climate Change and Transport	11,670	(2,479)	9,191	14,554	2,156	2,085	£1.1m additional budget for Neighbourhood Improvements transport schemes and £1m brought forward budget from future years to reflect the latest forecast for Highways projects
Hammersmith Bridge	8,809	5,619	11,528	14,428	4,040	-	
Public Realm	8,296	173	8,469	11,123	1,713	2,654	Additional budget of £3.4m required to purchase new waste collection vehicles. £0.8m slippage across Parks & Leisure and the Kings Coronation Youth Fund schemes
Public Protection	1,102	550	1,652	1,772	927	120	£0.12m additional budget for additional works to the control room, to be funded by Westminster Council.
Total Expenditure	172,587	20,264	192,851	183,520	46,223	(9,331)	

PEOPLE

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q1)	2024/25 forecast (Q2)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
Children's Services	7,915	42	7,957	4,052	1,628	(3,905)	Slippage of Schools Window Replacement schemes due to commence in 2025/26. School maintenance grant has been spent directly by the schools resulting in the reduction in the Council's capital budget.
Adult Social Care	-	3,688	3,688	3,688	536	-	
Total People Expenditure	7,915	3,730	11,645	7,740	2,164	(3,905)	

HOUSING

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q1)	2024/25 forecast (Q2)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
HRA Asset Management and Compliance Programme	75,570	11,073	86,643	78,517	24,758	(8,126)	Slippage based on updated completion timelines for schemes.
Single homelessness and rough sleeping supported accommodation	-	-	-	2,251	-	2,251	Budget transfer from Place dept for acquisition of supported accommodation as approved by Cabinet in January 2024.

FINANCE AND CORPORATE SERVICES

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q1)	2024/25 forecast (Q2)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
IT & Digital Services	7,587	(4,671)	2,916	2,051	478	(865)	Slippage to 2025/26 due to delays in device replacement roll out.

3. An additional budget of £1.45m has been requested in quarter 2. The below attached table details schemes requiring additional budget approval and their financing:

Scheme/project	Budget requested £m	Funded by
Mund Street	0.15	General Fund Borrowing
Neighbourhood Improvements	1.30	Parking Reserve
Total	1.45	

4. The Council retained £3.026m of Right to Buy 1-4-1 receipts in 2019/20 which, under the current guidance, need to be spent by 31 March 2025. The Council aims to utilise all of the receipts in full in its development programme as any unspent receipts would be repayable to the MHCLG with accrued interest. However, the current cash flow forecast for the development programme indicates potential slippages in some of the schemes funded from 1-4-1 receipts. The slippages are mainly due to Lillie Road scheme's longer than anticipated procurement process, contract formalisation, and preparation of the site for handover. As a result, it is estimated that £1.1m of Right to Buy receipts will not be spent in this financial year on this project hence the need for an authority to utilise these receipts to acquire properties on the open market before the end of the financial year.

FOUR YEAR CAPITAL PROGRAMME OVERVIEW

5. Budget Council in February 2024 approved a four-year capital programme for 2024/25 to 2027/28 of £576.4m. The revised programme now stands at £643.1m. The movement (a net increase) of £66.6m is summarised in the below table:

Budget Movement Summary for 2024/25-2027/28 capital programme	General Fund	HRA	Total
	£'m	£'m	£'m
Four-year capital programme budget approved at Full Council in February 2024	143.6	432.8	576.4
2023/24 approved adjustments including carry forward of unspent budgets	22.9	30.1	53.0
Additional budgets approved at Q2	13.7	-	13.7
Revised four -year capital programme as at 2024/25 Q2	180.2	462.9	643.1

6. Detail of the four-year capital programme, including proposed Q2 variations, is presented in Appendix 1.

General Fund CFR and MRP

7. The General Fund (GF) mainstream programme cuts across the departments and represents schemes which are funded from Council resources (capital receipts or borrowing). It is the area of the programme where the Council has the greatest

discretion. The mainstream programme forecast for 2024/25 is £47m which represents a net decrease of £1.9m in comparison to the previous quarter. The mainstream programme and quarter 1 movements are summarised in Appendix 2.

8. The mainstream programme does not include self-financing schemes (where the net General Fund revenue borrowing costs are nil). Whilst these will have an impact on the Council's CFR, it is assumed that all Minimum Revenue Payment (MRP) and interest costs will be fully reimbursed through grant contributions, the charging of a state-aid compliant interest rate, the loan repayment, commercial income, or reduction in revenue costs (e.g. lease rental payments). CFR for these schemes is forecast to increase by £1.6m (£33.7m new expenditure less £32.1m loan repayments) to £89.8m in 2024/25. Appendix 3 details the self-financing schemes and their movements.
9. The additional borrowing forecast for 2024/25 is currently assumed to be internal borrowing, i.e. funded temporarily via our own cash balances, thereby negating the need to borrow externally and the related cost of borrowing. This is particularly advantageous currently given Public Works Loans Board (PWLB) rates are above 5%, which is more than the opportunity cost of the return from investing cash balances. Internal borrowing is however by its nature a finite option and must be considered alongside other strategic priorities for the use of cash balances (such as use of earmarked reserves and the council's investment strategy). This is considered within the overall borrowing strategy, which is constructed across key strands including our capital programme, treasury management strategy and revenue strategy.
10. The below attached table 3 summaries the Councils' CFR ²(Capital Financing Requirement) and MRP ³(Minimum Revenue Provision) forecast movements for the four-year programme:

Table 3 - CFR and MRP forecast movements 2024/25-2027/28 (as at Q2)

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Budgeted MRP (approved at Full Council)	3.02	6.29	6.31	5.24
Forecast MRP (as at Q2 2024/25)	2.72	4.75	5.88	5.87
Forecast closing GF CFR (Full Council)	317.78	317.58	315.70	313.48
Forecast closing GF CFR (as at Q2 2024/25)	300.50	299.56	298.11	296.32
Forecast closing HRA CFR (Full Council)	466.57	534.74	540.14	596.63
Forecast closing HRA CFR (as at Q2 2024/25)	456.40	559.87	566.52	616.69

CAPITAL PROGRAMME RISKS

11. The following risks have been identified within the current capital programme:

² Capital Financing Requirement (CFR) – measurement of the Council's underlying need to borrow for capital purpose. Increase in CFR puts additional pressures on revenue budgets.

³ Minimum Revenue Provision (MRP)- minimum amount by statute which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). This is an annual revenue expense in a Council's budget and is reflected in the Medium-Term Financial Strategy (MTFS). The MRP will, over time, reduce the CFR.

12. **Pre-development costs:** The capital programme includes several affordable housing schemes totalling £24.6m (GF £9.7m and HRA £14.9m) that are still in predevelopment stages. Of this £11.3m was spent by 31 March 2024 (GF £6.1m, HRA £5.2m). Should these schemes not fully progress there is a risk that some, or all, of the expenditure may need to be written off to revenue. As mitigation against this risk the Development Board (chaired by the Executive Director-Place) is providing a gateway and governance process for these schemes before commitment of funds. An earmarked revenue reserves totalling £8.6m (£5m GF and £3.6m HRA) have been also set aside as further mitigation.
13. **Self-financing:** £63m of the self-financing schemes is in relation to acquisition of Civic Campus commercial units. The financing of the borrowing costs for this scheme is highly sensitive to market changes and therefore there is a risk that, in the current economic climate, anticipated rental income targets might be lower than forecast and will not be sufficient to cover the associated borrowing costs, currently estimated at £4.5m per annum based on 2% MRP and a 5.2% interest rate.
14. **Capital receipts:** There are currently no forecast General Fund capital receipts and therefore the Council will rely on borrowing to finance capital programmes in future years. However, the Council's Property Transformation team is systematically reviewing all assets as part of asset management best practice and as part of the wider accommodation strategy. As part of this programme of work, surplus assets may be identified that cannot be re-purposed for other uses and that could be sold for a capital receipt to support the capital programme. Any decisions on asset disposals will be the subject of a future report.
15. **The Civic Campus** continues to be delayed due to the impact of the site incident in May 2022. Principal delays concern the completion of the steel structure of the glass box extension, and the consequences of sustained water ingress and damage in the Town Hall requiring repair and restoration. Works are closely monitored by the Client Management Team (CMT) which has been expanded to bring in further specialist technical and legal advisers. Analysis of the build programme with specialist programme planners is underway to establish an updated programme. The Health & Safety Executive (HSE) report on the site incident is still awaited, and the Council is making representations to the HSE regarding this continued delay and its impact on the conclusion of the outstanding insurance claim.
16. **Right to Buy funding (retained receipts):** The Council has retained £20.4m of RTB 1-4-1 receipts which need to be spent within five years from the date of retention on eligible expenditure in respect of building new affordable housing schemes. £3.7m of these receipts is due to be spent by 31 March 2025. Should these receipts not be spent in a timely basis, the Council will have to repay them back to the Ministry of Housing, Communities and Local Government (MHCLG) with interest which would be an additional cost to the HRA.
17. **Capital programme affordability:** As with any capital programme, there are associated risk with affordability of the programme in relation to timing and size of capital receipts, prudential borrowing limits and the repayment of any debt incurred (via MRP and interest payments). The MTFS is updated regularly to review and report on these risks to allow for senior officers and members to

undertake any reassessment of the approved capital programme and pipeline proposals.

REASONS FOR DECISION

18. This report reports the quarter 1 position to Cabinet and seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.

EQUALITY IMPLICATIONS

19. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and, as such, the recommendations relating to an increase in capital allocations, will not impact directly on any group with protected characteristics, under the terms of the Equality Act 2010.

RISK MANAGEMENT

20. In the initial stages of any development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views and interest of residents and stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (e.g. the cost of asbestos removal). Construction companies and developers contracting with the Council which experience financial instability, particularly an issue following Covid-19 pandemic pressures, Brexit and the war in Ukraine and the impact of cost inflation. They may not be able to raise sufficient finance to cash flow operations, any potential insolvency process could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget, the Council could suffer direct financial loss, and any defects or other issues may not be resolvable as anticipated. To mitigate the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.
21. Large scale capital projects can operate in environments which are complex, turbulent, and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts, and anticipating the slow emerging risks which can escalate rapidly are all necessary components of good capital programme risk management.
22. The impact to councils of the Grenfell Tower fire is yet to be fully established. It is certain that many councils are/will be undertaking property reviews to determine the levels of improvements required to ensure fire safety arrangements within their buildings meet both the expectations of the residents and that they comply with building regulations and other statutory duties.
23. The Fire Safety Act 2021 (the Act) received Royal Assent on 29 April 2021 and commenced on 16 May 2022. The Act amended the Regulatory Reform (Fire Safety) Order 2005 (the Fire Safety Order). The Act confirms that responsible persons (RPs) for multi-occupied residential buildings must assess, manage, and put in place measures to reduce the risk of fire for the structure and external walls

of the building, including cladding, balconies and windows, and entrance doors to individual flats that open into common parts.

24. The Dame Judith Hackitt independent review of fire safety, following the Grenfell tragedy, recognises that High Rise Residential Buildings (10 Storeys and above) are a special risk where layers of fire protection must be put in place to reduce the risk to as low as reasonably possible, however reducing the risk for all residential accommodation is fundamental. This process is on-going and must be continually reviewed at least annually. The Building Safety Act 2022 has placed additional requirements on existing building owners and on those who are constructing new buildings. Oversight is provided by the Building Safety Regulator.
25. All works must comply with the Construction (Design and Management) Regulations. The Council must appoint a Principal Designer and Principal Contractor with the necessary and demonstrable expertise and competence.
26. Proposals set out in this report seek to comply with the Council's legal duties.
27. The report sets out the ongoing economic uncertainty, including the impact of high interest rate, and identifies actions which will, in part, mitigate this risk.

Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 24 August 2024

VAT IMPLICATIONS

28. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold. Capital projects represent the bulk of this risk. A breach would likely cost the Council between £2-£3m per year whilst in breach. Finance officers are working closely with departments to ensure that partial exemption risks are considered as part of significant capital projects.

Implications verified by: Joanna Monaghan, Principal Accountant (Taxation), Corporate Finance, 28 August 2024

LIST OF APPENDICES:

- Appendix 1 – Detailed capital budget, spend and variation analysis by department
- Appendix 2 – GF Mainstream Capital Programme 2024-28
- Appendix 3 – Self-financing schemes
- Appendix 4 – Summary of Prudential Indicators
- Appendix 5- Proposed S106 allocations for future capital schemes

Appendix 1 – Detailed capital budget, spend and variation analysis by department

SUMMARY CAPITAL PROGRAMME 2024/25-2027/28

	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	Revised Budget 2024/25 £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Slippages / Reprofiling from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Budget (All years) £'000
CAPITAL EXPENDITURE													
People	7,915	3,730	11,645	7,740	2,164	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	24,315
Place (General Fund)	100,049	6,700	106,749	104,965	24,435	(4,310)	4,777	(2,251)	(1,784)	32,840	5,636	6,270	149,711
Finance & Corporate	7,587	(4,671)	2,916	2,051	478	(865)	-	-	(865)	1,662	-	-	3,713
Housing (General Fund)	-	-	-	2,251	-	-	-	2,251	2,251	-	-	-	2,251
Sub-total (General Fund)	115,551	5,759	121,310	117,007	27,077	(8,255)	3,952	-	(4,303)	41,923	10,676	10,384	179,990
Place (HRA)	72,538	13,564	86,102	78,555	21,787	(7,547)	-	-	(7,547)	67,978	32,564	9,968	189,065
Housing (HRA)	75,570	11,073	86,643	78,517	24,758	(8,126)	-	-	(8,126)	68,403	52,974	74,082	273,976
Sub-total (HRA)	148,108	24,637	172,745	157,072	46,545	(15,673)	-	-	(15,673)	136,381	85,538	84,050	463,041
Total Expenditure	263,659	30,396	294,055	274,079	73,622	(23,928)	3,952	-	(19,976)	178,304	96,214	94,434	643,031
CAPITAL FINANCING													
Specific/External Financing:													
Use of specific resources (grant/section106/receipts)	76,864	17,961	94,825	93,761	40,052	(4,876)	3,812	-	(1,064)	45,318	84,429	39,496	263,004
Borrowing-General Fund	53,081	(9,933)	43,148	38,606	11,656	(4,692)	150	-	(4,542)	29,507	5,136	4,776	78,025
Self-financing borrowing - General Fund	29,914	3,745	33,659	33,659	3,093	-	-	-	-	-	-	-	33,659
Borrowing -HRA	103,800	18,623	122,423	108,053	18,820	(14,360)	10	-	(14,370)	103,479	6,649	50,162	268,343
Total Capital Financing	263,659	30,396	294,055	274,079	73,622	(23,928)	3,952	-	(19,976)	178,304	96,214	94,434	643,031

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place - HRA schemes	Current Year Programme									Future Years Budgets			Total Budget (All years) £'000
	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q1) £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Variance analysis			Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	
						Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000					
Scheme Expenditure Summary													
Development Programme													
Homes & Communities Strategy	1,378	-	1,378	-	-	(1,378)	-	-	(1,378)	1,378	-	-	1,378
White City Estate Regeneration	958	(62)	896	746	396	(150)	-	-	(150)	365	-	-	1,111
Becklow Gardens	295	(10)	285	650	200	365	-	-	365	806	153	-	1,609
Barclay Close	205	7	212	550	165	338	-	-	338	285	-	-	835
Jepson House	525	3	528	800	216	272	-	-	272	1,200	1,128	-	3,128
The Grange	475	(1)	474	650	172	176	-	-	176	960	49	-	1,659
Hartopp & Lannoy	20,512	(512)	20,000	19,500	6,267	(500)	-	-	(500)	23,900	3,495	-	46,895
Farm Lane	4,960	40	5,000	3,000	93	(2,000)	-	-	(2,000)	10,800	3,337	-	17,137
Lillie Road	9,564	(3,064)	6,500	2,600	82	(3,900)	-	-	(3,900)	9,000	11,000	580	23,180
Subtotal Development Programme	38,872	(3,599)	35,273	28,496	7,591	(6,777)	-	-	(6,777)	48,694	19,162	580	96,932
Regeneration Capital Schemes													
Stanhope Joint Venture	3,522	(2,491)	1,031	1,031	12	-	-	-	-	400	9,388	9,388	20,207
Old Laundry Yard	415	708	1,123	353	58	(770)	-	-	(770)	653	653	-	1,659
Education City	29,729	(4,729)	25,000	25,000	7,572	-	-	-	-	18,000	3,361	-	46,361
Property Acquisition for Affordable Housing	-	9,631	9,631	9,631	-	-	-	-	-	-	-	-	9,631
New Homes for Refugees	-	14,044	14,044	14,044	6,554	-	-	-	-	-	-	-	14,044
Subtotal Regeneration Capital Schemes	33,666	17,163	50,829	50,059	14,196	(770)	-	-	(770)	19,053	13,402	9,388	91,902
Planning and Corporate Property													
Nourish Project (Good Growth Fund)	-	-	-	-	-	-	-	-	-	231	-	-	231
Subtotal Planning and Corporate Property	-	-	-	-	-	-	-	-	-	231	-	-	231
Total Place -HRA Schemes	72,538	13,564	86,102	78,555	21,787	(7,547)	-	-	(7,547)	67,978	32,564	9,968	189,065
Capital Financing Summary													
Specific/External or Other Financing													
Grants and Contributions from Private Developers (includes S106)	2,299	(1,278)	1,021	1,021	12	-	-	-	-	631	6,000	6,000	13,652
Capital Grants and Contributions from GLA Bodies	300	9,012	9,312	9,312	2,634	-	-	-	-	-	-	-	9,312
RtB GLA Ringfence and Affordable Housing Grants	7,168	432	7,600	7,600	6,184	-	-	-	-	545	3,388	3,388	14,921
Sub-total - Specific or Other Financing	9,767	8,166	17,933	17,933	8,830	-	-	-	-	1,176	9,388	9,388	37,885
Mainstream Financing (Internal Council Resource)													
Capital Receipts (HRA)	7,374	(3,674)	3,700	3,700	-	-	-	-	-	5,842	46,278	-	55,820
1-4-1 capital receipts	1,909	(260)	1,649	967	-	(682)	-	-	(682)	2,674	123	-	3,764
Sub-total - Mainstream Funding	9,283	(3,934)	5,349	4,667	-	(682)	-	-	(682)	8,516	46,401	-	59,584
HRA Borrowing	53,488	9,332	62,820	55,955	12,957	(6,865)	-	-	(6,865)	58,286	(23,225)	580	91,596
Total Capital Financing	72,538	13,564	86,102	78,555	21,787	(7,547)	-	-	(7,547)	67,978	32,564	9,968	189,065

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place- General Fund Schemes	2024/25 Revised Budget	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q1)	2024/25 Forecast (Q2)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary													
<i>Civic Campus</i>													
Hammersmith Town Hall Refurbishment	27,202	(5,023)	22,179	19,507	5,335	(2,672)	-	-	(2,672)	15,319	-	-	34,826
Acquisition of commercial units	29,264	(2,532)	26,732	26,732	3,649	-	-	-	-	-	-	-	26,732
Commercial Units- Cinema Fit Out	-	1,750	1,750	1,750	-	-	-	-	-	-	-	-	1,750
JV Partnership Loan (Civic Campus)	650	4,527	5,177	5,177	4,099	-	-	-	-	-	-	-	5,177
Sub-total -Civic Campus	57,116	(1,278)	55,838	53,166	13,083	(2,672)	-	-	(2,672)	15,319	-	-	68,485
<i>Development Programme</i>													
Mund Street	1,645	392	2,037	2,187	446	-	150	-	150	973	360	-	3,520
Community Schools Programme	350	(72)	278	278	134	-	-	-	-	-	-	-	278
Sub-total -Development Programme	1,995	320	2,315	2,465	580	-	150	-	150	973	360	-	3,798
<i>Regeneration Capital Schemes</i>													
West Kensington & Gibbs Green Public Realm	510	490	1,000	1,000	12	-	-	-	-	500	500	500	2,500
WMC JV Exit Costs	1,857	-	1,857	1,857	-	-	-	-	-	-	-	-	1,857
Sub-total- Regeneration Capital Schemes	2,367	490	2,857	2,857	12	-	-	-	-	500	500	500	4,357
<i>Planning and Corporate Property</i>													
Planned Maintenance/DDA Programme	6,580	(162)	6,418	6,966	1,660	-	-	548	548	5,463	2,400	2,400	17,229
Divestment in local supported housing	-	548	548	-	-	-	-	(548)	(548)	-	-	-	-
Carnwath Road	1,870	-	1,870	-	-	(1,870)	-	-	(1,870)	1,870	-	-	1,870
North End Road - Good Growth Fund	244	668	912	912	265	-	-	-	-	-	-	-	912
Single homelessness and rough sleeping supported accommodation	-	2,251	2,251	-	-	-	-	(2,251)	(2,251)	-	-	-	-
Sub-total -Planning and Corporate Property	8,694	3,305	11,999	7,878	1,925	(1,870)	-	(2,251)	(4,121)	7,333	2,400	2,400	20,011
Total Expenditure	70,172	2,837	73,009	66,366	15,600	(4,542)	150	(2,251)	(6,643)	24,125	3,260	2,900	96,651
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government		194	194	194	-	-	-	-	-	-	-	-	194
Grants and Contributions from Private Developers (includes S106)	1,036	252	1,288	1,288	300	-	-	-	-	500	500	500	2,788
Community Infrastructure Levy (CIL)	7,200	3,077	10,277	10,277	5,335	-	-	-	-	-	-	-	10,277
Capital Grants and Contributions from GLA Bodies	20	1,654	1,674	312	242	-	-	(1,362)	(1,362)	-	-	-	312
Sub-total - Specific or Other Financing	8,256	5,177	13,433	12,071	5,877	-	-	(1,362)	(1,362)	500	500	500	13,571
GF Borrowing	61,916	(2,340)	59,576	54,295	9,723	(4,542)	150	(889)	(5,281)	23,625	2,760	2,400	83,080
Total Borrowing	61,916	(2,340)	59,576	54,295	9,723	(4,542)	150	(889)	(5,281)	23,625	2,760	2,400	83,080
Total Capital Financing	70,172	2,837	73,009	66,366	15,600	(4,542)	150	(2,251)	(6,643)	24,125	3,260	2,900	96,651

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place- General Fund Schemes	2024/25 Revised Budget	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q1)	2024/25 Forecast (Q2)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary													
Climate Change and Transport													
Footways and Carriageways	150	97	247	247	66	-	-	-	-	150	150	150	697
Transport For London Schemes	-	1,277	1,277	1,360	247	-	83	-	83	-	-	-	1,360
Other Highways Capital Schemes	6,520	(528)	5,992	7,994	1,813	994	1,008	-	2,002	1,250	-	994	10,238
Green Investment Projects	5,000	(3,325)	1,675	1,675	31	-	-	-	-	3,245	-	-	4,920
Sub-total- Climate Change and Transport	11,670	(2,479)	9,191	11,276	2,156	994	1,091	-	2,085	4,645	150	1,144	17,215
Hammersmith Bridge													
Hammersmith Bridge Stabilisation Works	4,688	5,914	10,602	10,602	3,792	-	-	-	-	-	-	-	10,602
Hammersmith Bridge Pre Restoration Works	4,121	(295)	3,826	3,826	247	-	-	-	-	-	-	-	3,826
Sub-total- Hammersmith Bridge	8,809	5,619	14,428	14,428	4,040	-	-	-	-	-	-	-	14,428
Public Realm													
Footways and Carriageways	1,880	254	2,134	2,134	363	-	-	-	-	1,880	1,880	1,880	7,774
Column Replacement	406	(10)	396	396	116	-	-	-	-	346	346	346	1,434
Other Highways Capital Schemes	453	295	748	748	270	-	-	-	-	700	-	-	1,448
Waste Collection and Disposal Projects	3,381	(315)	3,066	6,482	191	-	3,416	-	3,416	-	-	-	6,482
Kings Coronation Youth Fund	597	20	617	155	49	(462)	-	-	(462)	462	-	-	617
Parks Projects	1,359	(71)	1,288	1,138	724	(150)	-	-	(150)	532	-	-	1,670
Leisure Centre Capital Investment	220	-	220	70	-	(150)	-	-	(150)	150	-	-	220
Sub-total- Public Realm	8,296	173	8,469	11,123	1,713	(762)	3,416	-	2,654	4,070	2,226	2,226	19,645
Public Protection													
Public CCTV	1,102	550	1,652	1,772	927	-	120	-	120	-	-	-	1,772
Sub-total- Public Protection	1,102	550	1,652	1,772	927	-	120	-	120	-	-	-	1,772
Total Expenditure	29,877	3,863	33,740	38,599	8,835	232	4,627	-	4,859	8,715	2,376	3,370	53,060
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	-	3,258	3,258	3,257	321	-	(1)	-	(1)	-	-	-	3,257
Grants and Contributions from Private Developers (includes S106/S278)	5,675	567	6,242	6,800	2,124	819	(271)	10	558	2,364	-	994	10,158
Capital Grants/Contributions from Non-departmental public bodies	320	528	848	671	649	(287)	120	(10)	(177)	287	-	-	958
Capital Grants and Contributions from GLA Bodies	124	1,377	1,501	1,563	255	-	62	-	62	-	-	-	1,563
Sub-total - Specific or Other Financing	6,119	5,730	11,849	12,291	3,349	532	(90)	-	442	2,651	-	994	15,936
Mainstream Financing (Internal Council)													
Capital Receipts	-	3,381	3,381	6,798	-	-	3,417	-	3,417	-	-	-	6,798
Use of Reserves	2,679	(1,042)	1,637	2,787	554	(150)	1,300	-	1,150	182	-	-	2,969
Sub-total - Mainstream Funding	2,679	2,339	5,018	9,585	554	(150)	4,717	-	4,567	182	-	-	9,767
Borrowing													
	21,079	(4,206)	16,873	16,723	4,932	(150)	-	-	(150)	5,882	2,376	2,376	27,357
Total Capital Financing	29,877	3,863	33,740	38,599	8,835	232	4,627	-	4,859	8,715	2,376	3,370	53,060

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

People	Current Year Programme									Future Years Budgets			
	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget/ Slippages £'000	2024/25 Revised Forecast (Q1) £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Variance analysis			Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	Total Budget (All years) £'000
						Adjustment to Approved Budget/ Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000					
Scheme Expenditure Summary													
Children's Services													
SEN sufficiency	2,500	(2,000)	500	300	-	(200)	-	-	(200)	3,011	3,334	2,607	9,252
Carer Housing Adaptations	-	480	480	480	368	-	-	-	-	-	-	-	480
Basic Need Placement Sufficiency	291	925	1,216	991	972	-	(225)	-	(225)	69	221	-	1,281
Windows & decarbonisation	3,201	5	3,206	26	23	(2,880)	(300)	-	(3,180)	2,880	-	-	2,906
Family Hub Transformation Project	-	64	64	64	18	-	-	-	-	-	-	-	64
School Maintenance Programme	1,923	568	2,491	2,191	247	-	(300)	-	(300)	1,461	1,485	1,507	6,644
Subtotal Children's Services	7,915	42	7,957	4,052	1,628	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	20,627
Adults Social Care													
Extra Care New Build project (Adults' Personal Social Services Grant)	-	957	957	957	-	-	-	-	-	-	-	-	957
Disabled Facilities Grant	-	1,519	1,519	1,519	372	-	-	-	-	-	-	-	1,519
Transforming Care (Winterbourne Grant)	-	300	300	300	-	-	-	-	-	-	-	-	300
Social Care Capital Projects	-	912	912	912	164	-	-	-	-	-	-	-	912
Subtotal Adults Social Care	-	3,688	3,688	3,688	536	-	-	-	-	-	-	-	3,688
Total Expenditure	7,915	3,730	11,645	7,740	2,164	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	24,315
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	7,915	3,121	11,036	7,131	1,796	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	23,706
Sub-total - Specific or Other Financing	7,915	3,121	11,036	7,131	1,796	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	23,706
Mainstream Financing (Internal Council Resource)													
General Fund Revenue Account (revenue funding)	-	48	48	48	-	-	-	-	-	-	-	-	48
Use of Reserves	-	432	432	432	368	-	-	-	-	-	-	-	432
Sub-total - Mainstream Funding	-	480	480	480	368	-	-	-	-	-	-	-	480
Borrowing	-	129	129	129	-	-	-	-	-	-	-	-	129
Total Capital Financing	7,915	3,730	11,645	7,740	2,164	(3,080)	(825)	-	(3,905)	7,421	5,040	4,114	24,315

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Housing	Current Year Programme									Future Years Budgets			Total Budget (All years) £'000
	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippage £'000	2024/25 Revised Forecast (Q1) £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Variance analysis			2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000		
						Adjustment to Approved Budget / Slippages £'000	Additional / (Reductions) £'000	Transfers £'000				Total Variance £'000	
Scheme Expenditure Summary													
HRA Asset Management and Compliance Programme													
Major Refurbishment Works	7,773	4,000	11,773	21,810	12,172	3,058	-	6,979	10,037	11,604	6,679	6,026	46,119
Fire Safety Compliance Programme	5,064	1,267	6,331	5,550	1,716	(622)	-	(159)	(781)	5,035	5,375	5,110	21,070
Fire Safety Complex Schemes	15,185	357	15,542	4,955	2,846	(9,853)	-	(734)	(10,587)	18,091	-	10,119	33,165
Lift Schemes	4,192	559	4,751	2,906	-	(2,845)	-	1,000	(1,845)	2,912	1,404	1,079	8,301
Heating Schemes	6,922	(332)	6,590	3,025	31	(3,934)	-	369	(3,565)	6,975	7,000	5,635	22,635
Safety Works – Electrical	5,382	491	5,873	4,100	1,421	(605)	-	(1,168)	(1,773)	4,933	5,100	5,100	19,233
Safety Works	7,924	-	7,924	1,952	581	8,731	-	(14,703)	(5,972)	6,285	14,369	17,489	40,095
Void Works	3,200	-	3,200	10,975	1,071	(1)	-	7,776	7,775	1,201	1,200	1,400	14,776
Other Capital Improvements	2,265	4,216	6,481	6,476	1,047	(896)	-	891	(5)	1,757	895	1,148	10,276
Capitalised salaries	11,000	(75)	10,925	10,065	2,037	(860)	-	-	(860)	4,600	3,300	1,986	19,951
Capitalised repairs	4,070	-	4,070	4,070	1,614	-	-	-	-	3,500	3,500	3,982	15,052
Climate Emergency and Other future works	2,593	590	3,183	2,633	222	(299)	-	(251)	(550)	1,510	4,152	15,008	23,303
Single homelessness and rough sleeping supported accommodation	-	-	-	2,251	-	-	-	2,251	2,251	-	-	-	2,251
HRA Asset Management and Compliance Programme	75,570	11,073	86,643	80,768	24,758	(8,126)	-	2,251	(5,875)	68,403	52,974	74,082	276,227
Capital Financing Summary													
Specific/External or Other Financing													
Capital Grants from Central Government	2,593	1,750	4,343	3,588	-	(755)	-	-	(755)	755	-	-	4,343
Contributions from leaseholders	3,100	-	3,100	3,110	-	-	10	-	10	2,700	2,700	2,700	11,210
Grants and Contributions from Private Developers (includes S106)	-	1,029	1,029	1,029	-	-	-	-	-	-	-	-	1,029
Capital Grants and Contributions from GLA Bodies	-	-	-	1,362	-	-	-	1,362	1,362	-	-	-	1,362
Sub-total – Specific or Other Financing	5,693	2,779	8,472	9,089	-	(755)	10	1,362	617	3,455	2,700	2,700	17,944
Mainstream Financing (Internal Council)													
Capital Receipts (HRA)	2,200	657	2,857	2,857	2,857	-	-	-	-	2,200	2,200	3,000	10,257
Major Repairs Reserve (MRR) / Major Repairs	17,600	(1,519)	16,081	16,081	16,081	-	-	-	-	17,800	18,200	18,800	70,881
Sub-total – Mainstream Funding	19,800	(862)	18,938	18,938	18,938	-	-	-	-	20,000	20,400	21,800	81,138
Borrowing(HRA)	50,077	9,156	59,233	51,852	5,820	(7,371)	(10)	-	(7,381)	44,948	29,874	49,582	176,256
Borrowing (GF)	-	-	-	889	-	-	-	889	889	-	-	-	889
Total Capital Financing	75,570	11,073	86,643	80,768	24,758	(8,126)	-	2,251	(5,875)	68,403	52,974	74,082	276,227

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Finance and Corporate Services	Current Year Programme								Future Years Budgets			Total Budget (All years) £'000	
	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q1) £'000	2024/25 Forecast (Q2) £'000	2024/25 Actual spend to date £'000	Variance analysis			2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000		
						Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000					Total Variances £'000
Scheme Expenditure Summary													
Invest to Save - Flexible Use of Capital Receipts	3,597	(3,597)	-	-	-	-	-	-	-	-	-	-	
Investment in Digital Infrastructure	-	229	229	229	94	-	-	-	-	-	-	229	
Tech-tonic 2 Device refresh	3,990	(1,560)	2,430	1,617	286	(813)	-	-	(813)	1,610	-	-	3,227
Business Intelligence Infrastructure	-	257	257	205	98	(52)	-	-	(52)	52	-	-	257
Total Expenditure	7,587	(4,671)	2,916	2,051	478	(865)	-	-	(865)	1,662	-	-	3,713
Capital Financing Summary													
Mainstream Financing (Internal Council Resource)													
Capital Receipts	3,597	(1,280)	2,317	1,576	341	(741)	-	-	(741)	1,417	-	-	2,993
Use of Reserves	3,755	(3,755)	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	7,352	(5,035)	2,317	1,576	341	(741)	-	-	(741)	1,417	-	-	2,993
Borrowing (GF)	-	229	229	229	94	-	-	-	-	-	-	-	229
Borrowing (HRA)	235	135	370	246	43	(124)	-	-	(124)	245	-	-	491
Total Capital Financing	7,587	(4,671)	2,916	2,051	478	(865)	-	-	(865)	1,662	-	-	3,713

Appendix 2 – General Fund Mainstream Capital Programme 2024-28 with proposed 2024/25 Q2 variations

	Revised Budget (Q1)	Total Variations	2024/25 Forecast (Q2)	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure							
Ad Hoc Schemes:							
Social Care Capital projects [People]	129	-	129	-	-	-	129
Business Intelligence Infrastructure [F&C]	257	(52)	205	52	-	-	257
Investment in Digital Infrastructure [F&C]	229	-	229	-	-	-	229
Tech-ionic 2 Device refresh [F&C]	2,060	(689)	1,371	1,365	-	-	2,736
WMC JV Exit Costs [Place]	1,857	-	1,857	-	-	-	1,857
Carnwath Road [Place]	1,870	(1,870)	-	1,870	-	-	1,870
Hammersmith Bridge Strengthening [Place]	4,797	-	4,797	-	-	-	4,797
Hammersmith Bridge Pre Restoration Works [Place]	6,731	-	6,731	-	-	-	6,731
Green Investment Projects [Place]	1,920	-	1,920	3,245	-	-	5,165
Public CCTV [Place]	998	356	1,354	-	-	-	1,354
North End Road - Good Growth Fund [Place]	601	-	601	-	-	-	601
Leisure Centre Capital Investment [Place]	220	(150)	70	150	-	-	220
Divestment in local supported housing [Place]	548	(548)	-	-	-	-	-
Mund Street Refurbishment [Place]	-	1,336	1,336	-	-	-	1,336
Single homelessness and rough sleeping supported accommodation [Housing]	889	-	889	-	-	-	889
Corporate Planned Maintenance Programme [Place]	6,418	548	6,966	5,463	2,400	2,400	17,229
Waste Collection and Disposal Projects [Place]	3,381	3,101	6,482	-	-	-	6,482
Footways and Carriageways [Place]	1,671	(40)	1,631	2,030	2,030	2,030	7,721
Column Replacement [Place]	396	-	396	346	346	346	1,434
Parks Programme & Libraries [Place]	140	-	140	-	-	-	140
Hammersmith Town Hall Refurbishment [Place]	11,902	(2,672)	9,230	15,319	-	-	24,549
Community Schools Programme [Place]	770	(492)	278	-	-	-	278
Mund Street [Place]	1,063	(694)	369	973	360	-	1,702
Total Mainstream Programmes	48,847	(1,866)	46,981	30,924	5,136	4,776	87,817
Financing							
Capital Receipts	5,698	2,676	8,374	1,417	-	-	9,791
Increase/(Decrease) in Borrowing	43,149	(4,542)	38,607	29,507	5,136	4,776	78,026
Total Financing	48,847	(1,866)	46,981	30,924	5,136	4,776	87,817

Appendix 3 – Self-financing schemes

Table 2 - Self-financing schemes and loans CFR movements 2024/25-2027/28 (Quarter 2 forecast)

	Revised Budget (Q1)	Total Variations	2024/25 Forecast (Q2)	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure							
<i>Ad Hoc Schemes:</i>							
Acquisition of commercial units (Civic Campus) [Place]	26,732		26,732	-	-		26,732
Commercial Units- Cinema Fit Out [Place]	1,750		1,750	-	-		1,750
JV Partnership Loan (Civic Campus) [Place]	5,177		5,177	-	-		5,177
Total Mainstream Programmes	33,659	-	33,659	-	-		33,659
Financing							
Increase/(Decrease) in Borrowing	33,659	-	33,659	-	-		33,659
Total Financing	33,659	-	33,659	-	-		33,659

The current self-financing schemes include:

- £25m equity loan to the Civic Campus programme
- £10m development financing to WKSR LLP
- £63m investment in acquisition of Civic Campus commercial units
- £1.75m Civic Campus Cinema Fit Out

Appendix 4 – Summary of Prudential Indicators

The Prudential Code requires local authorities to set up and monitor several prudential indicators to ensure that all their capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so the local authorities will consider their arrangements for the repayment of debt (including through MRP or loans fund repayments) and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. Indicators for prudence are required to be set over a minimum three-year rolling period. They should also be set in line with a capital strategy and asset management plan that is sustainable over the longer term. Where statutorily ringfenced resources such as the HRA or police fund exist, the indicators of prudence should be set separately for these areas.

As the Council's S151 officer, the Executive Director of Finance and Corporate Services has responsibility to ensure that appropriate prudential indicators are set and monitored and that any breaches are reported to members. The Executive Director of Finance and Corporate Services has confirmed that the PIs set out below are all expected to be complied with in 2024/25 and it is not envisaged at this stage that there will be any difficulty in achieving compliance with the suggested indicators for future years.

Prudential Indicator	2023/24 Actual			2024/25 Forecast			2025/26 Forecast			2026/27 Forecast		
	GF	HRA	Total	GF	HRA	Total	GF	HRA	Total	GF	HRA	Total
Capital Expenditure	£102.1m	£82.7m	£184.8m	£115.8m	£157.1m	£272.8m	£41.9m	£136.4m	£178.3m	£10.7m	£85.5m	£96.2m
Capital Financing Requirement (CFR)	£265.71m	£348.38m	£614.0m	£300.5m	£456.4m	£756.9m	£299.6m	£559.9m	£859.4m	£298.1m	£566.5m	£864.6m
Ratio of Financing Costs to Net Revenue Streams	2.85%	25.62%		2.82%	35.42%		2.80%	38.44%		2.80%	38.44%	
Ratio of Commercial/Service Investment Income to Net Revenue Stream	1.80%	2.71%		1.80%	0.07%		1.79%	3.34%		1.79%	3.34%	
Net Debt vs CFR			£141m underborrowed			£317m underborrowed			£474m underborrowed			£517m underborrowed
Authorised Limit for External Debt			£700m			£850m			£920m			£920m
Operational Debt Boundary			£640m			£790m			£860m			£860m
Limit on surplus funds invested for more than 364 days (non-specified investments)			£120m			£120m			£120m			£120m
Maturity structure of borrowing			Upper limit under 12 months:15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%

Appendix 5- Proposed S106 allocations for future capital schemes

S106 Purpose	Proposal for Allocation	Amount (m)
Borough Wide Community Benefits	Improvements to parks	0.399
Community Facilities	New community hub at the White City Central development	0.863
Community Facilities	Improvements to sports facilities and playgrounds	0.395
Economic Development	Public Realm Improvement projects for Hammersmith Town centre	0.21
Environmental Improvements	Climate and ecology initiatives identified through the H&F Climate & Ecology Strategy, prioritising Council's own property estate or match funding bids.	2.7
Parks, Leisure & Outdoor Sports Facilities	Open space improvements	0.657
Transport and Public Realm	Highways and Transport projects	5.359
Transport and Public Realm	Public Realm Improvement projects for Hammersmith Town centre	0.092
Transport and Public Realm	SLT Finance to advise on the release of S106 funding to TfL. If funds are to be released, SLT Finance to recommend the transfer from S106 interest to make up the shortfall of full funds due.	0.086
Central Hammersmith Regeneration Area	Public Realm Improvement projects for Hammersmith Town centre	3.486
South Fulham Riverside Regeneration Area	To deliver initiatives within Park's programme	1.32
White City Regeneration Area	To support the Shepherd's Bush Green bid proposal.	0.35
White City Regeneration Area	New community hub at the White City Central development	6.85
Total		22.767