

Title of Report	Capital Update and Property Disposals and Acquisitions Report	
Key Decision No	F S513	
For Consideration By	Cabinet	
Meeting Date	24 November 2025	
Cabinet Member	Councillor Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service	
Classification	Open with two Exempt Appendices	
Ward(s) Affected	All	
Key Decision & Reason	Yes	Spend or Savings
Implementation Date if Not Called In	2 December 2025	
Group Director	Naeem Ahmed, Group Director, Finance and Corporate Resources	
Report Author	Samantha Lewis, Senior Capital Accountant samantha.lewis@hackney.gov.uk	

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report updates members on the capital programme agreed in the 2025/26 budget. Through the proposals brought forward in this report throughout the year we demonstrate our commitment to meeting our manifesto pledges and to deliver against the Council's Strategic Plan.
- 1.2 This report is seeking approval for an investment of £1.917m phased over three years to commission surveys and various consultancy services to appraise options to repurpose two historic school sites that have been closed due to reduced pupil numbers. This work will ultimately recommend schemes and provide the necessary evidence to support a business case to the Department for Education (DfE) for approval for change of use for the sites. This work will enable the Council to make the best use of these resources in ways that will support the Council's strategic objectives whilst delivering value for money from the use of these sites. The project brief will focus on opportunities for the development of new residential uses, particularly with regard to adding to the Council's temporary

accommodation and affordable housing portfolios. This could help alleviate the homelessness crisis and support keeping families in the borough.

- 1.3 This report is also seeking approval for investment of £5.1m in three transport related schemes. We are recommending an investment of £3.450m in the borough wide installation of EV charging points. This investment will continue the rollout programme of installing new Electric Vehicle charge points. The borough wide electric vehicle programme will deliver 2,700 charge points over the next two years and is funded from external grant and supplier contributions and will secure both jobs and training opportunities. This project fully contributes to Net Zero targets set by the Council to improve air quality and reduce CO2 from local transport. In addition we are investing £1.369m to continue the borough wide programme of the Dockless Cycle hire scheme and £0.262m to upgrade the parking CCTV cameras to enforce the borough's school pedestrian zones and Bus Lanes.
- 1.4 In addition to the above investment we are recommending an investment of £9.4m in a Digital Transformation Programme which will be phased over four years. This investment will deliver the modern technology, digital and data improvements for our residents and staff to deliver seamless digital services which are integral to and forms the backbone of the Council's Corporate Transformation Programme which is a key part of our budget strategy and savings plans.
- 1.5 Finally, the report asks for agreement to the Letter of Indemnity with the operator of the Learning Centre Public Finance Initiative contract, to facilitate the refurbishment works at Hackney Museum.
- 1.6 I commend this report to Cabinet.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report updates Members on the current position of the Capital Programme and seeks approval as required to enable officers to proceed with the delivery of those schemes as set out in section 10 of this report.
- 2.2 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** This report builds upon the recommendations made by December 2023 Cabinet (Key Decision CE S283 Education Sufficiency and Estate Strategy) in relation to approval of the closure of four primary schools from September 2024.
- 2.3 Both sites are now no longer in use as schools and the council has installed caretakers to provide security cover due to the high risk of illegal occupation and property deterioration if left unmonitored.
- 2.4 The Council is now incurring ongoing holding costs of approximately £500k per annum. It needs to identify the best use for the buildings and land

occupied by these two schools to ensure they are positive assets in the Council's portfolio. A key consideration is the opportunity to make a positive contribution to reducing the significant and increasing temporary accommodation costs impacting the council at an unsustainable level.

- 2.5 The engagement of professional consultants and procurement of a range of surveys to carry out the necessary feasibility and building surveys to support the case for future use of the sites. It is therefore essential to take this review exercise forward, along with in-house development management capacity within the Council's Regeneration, Economy and Housing Development (REHD) Division. This will enable the appraisal, recommendation and progression of optimum future uses and development proposals associated, including the required engagement with DfE.
- 2.6 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** This report seeks the necessary authority to enter into the Letter of Indemnity (LoI) with NU Technology and Learning Centres (Hackney) Limited. NU Technology and Learning Centres (Hackney) Limited is the Private Finance Initiative (PFI) Special Purpose Vehicle (SPV) incorporated to design, build, fund and operate the Technology and Learning Centre (TLC). This is necessary to allow the Council to deliver the proposed Hackney Museum refurbishment works.
- 2.7 The LoI sets out the obligations of each party and the legal, financial and contractual consequences if something goes wrong as a result of the works, or as a consequence of the works. The requirement to enter into this letter is due to the obligations set out in the Project Agreement which is the document which governs the relationship between the Council and the SPV.
- 2.8 The obligation of note is that the Council will have to accept an uncapped financial liability for any damage, or costs, arising from carrying out the works, or as a consequence of carrying out the works.
- 2.9 Although this contractual obligation may appear burdensome, it needs to be considered alongside the nature of the proposed works and the mitigations available to the Council. This type of obligation is standard in a PFI contract. It is judged that the probability of this liability fully materializing is low, as is the likelihood that the Council would bear the entire financial cost of any damage arising from the works.
- 2.10 An alternative option was investigated and then compared to the recommended option. This alternative would not require the Council to accept an uncapped liability, however it was deemed to be less advantageous overall as set out in paragraph 5.2.10 below.

3. RECOMMENDATION(S)

- 3.1 That the scheme for Finance and Corporate Resources Directorate as**

set out in section 10 be given approval as follows:

4 Year Digital Transformation Programme: Resource and spend approval of **£9,378k (£770k in 2025/26, £1,536k in 2026/27, £3,536k in 2027/28 and £3,536k in 2028/29)** is requested to enable Council Officers to implement the 4 year Digital Transformation Programme to deliver the Council’s ambition of seamless digital services for our residents using the best of modern technology, digital and data approaches for our users.

3.2 That the scheme for Homes, Climate and Economy Directorate as set out in section 10 be given approval as follows:

Parking CCTV Camera Upgrade: Resource and spend approval of **£262k in 2025/26** is requested to upgrade the Parking CCTV cameras around the borough that have now reached the end of its useful life.

EV Charge Points Refresh: Resource and spend approval of **£3,450k (£1,610k in 2025/26 and £1,840k in 2026/27)** is requested to continue the borough wide programme of installing electric vehicle charge points.

Dockless Cycle Hire Refresh: Resource and spend approval of **£1,369k (£740k in 2025/26 and £630k in 2026/27)** is requested to continue the borough wide programme of the dockless cycle hire scheme.

3.3 That the S106 scheme summarised below and set out in section 11 be noted:

S106	2026/27 £'000
Capital	45
Total S106 Capital for Noting	45

3.4 To approve allocation of £1.917m capital resources phased over three years to appraise options, make recommendations, engage the Department for Education (DfE), and progress proposals for the optimum future use of two historic school sites to RIBA Stage 2.

3.5 That the Quarter 2 Capital Monitoring for the period ending 30 September 2025 in section 12 be noted.

3.6 That the re-profiling of the budgets as set out in Appendix 3 and summarised below be approved:

Current Directorate	Re-Profiling 25/26	Re-Profiling 26/27	Re-Profiling 27/28

	£'000	£'000	£'000
Non Housing	(18,940)	18,659	281
Housing	(2,710)	2,710	0
Total	(21,650)	21,369	281

- 3.7 That the capital adjustments of the budgets as set out in Appendix 3 and summarised below be approved:**

Current Directorate	Capital Adjustments
	£'000
Non Housing	2,537
Housing	0
Total	2,537

- 3.8 To approve that the Council enter into the Letter of Indemnity with NU Technology and Learning Centres (Hackney) Limited in respect of refurbishment works at Hackney Museum, in the form annexed to this report at Appendix 4 (Exempt).**
- 3.9 To delegate to the Director, Legal, Democratic and Electoral Services the authority to make and accept any amendments required to finalise the letter on the basis that these amendments do not materially change the financial or risk profile.**

4. REASONS FOR DECISION

- 4.1** The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered and necessary to approve the property proposals as set out in this report.
- 4.2 Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** This funding will enable the Council's REHD Housing Regeneration & Delivery service to commission external consultancy, design services, and essential surveys for detailed feasibility studies and the preparation of development and re-use proposals and associated business cases to RIBA Stage 2 'Concept Design' level. The objective is to assess the viability of options for alternative uses of the closed De Beauvoir and Randal Cremer primary school sites, focusing on residential repurposing and redevelopment for the Council's temporary accommodation and affordable housing portfolios. The REHD client is the Council's Strategic Property Services (including Education Property). These services will act as the intelligent client and recommend actions through the Council's Capital Strategy & Asset Management Group (CSAMG) and the Council's Capital & Asset Steering Board (CASB).

- 4.3 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** The Hackney Museum opened to the public in the TLC in 2002, and while the building and its facilities have been subject to the maintenance regimes of the PFI contract, the internal museum facilities and displays have not received any investment since 2002, and as a consequence, the fabric, layout, display content and facilities are in need of being updated.
- 4.4 In 2022, the Council successfully applied to the National Lottery Heritage Fund (NLHF) for £266k funding to carry out a feasibility study and develop proposals for the refurbishment of Hackney Museum. This was followed by a successful second grant application in December 2024 for £2.24m to deliver the refurbishment and associated public engagement activities. This amount has been augmented by other Council funds to give a total of £2.98m for the refurbishment works.
- 4.5 The TLC was designed, built, funded and is operated under a PFI type contract. This means that although the Council is the freeholder, the building is under the control of a Special Purpose Vehicle and in order for the Council to deliver significant refurbishment works, it is required to enter into a legal agreement with the Special Purpose Vehicle beforehand.
- 4.6 Entering into the Lol will allow the Council more control over the design and installment processes, in particular, the ability to appoint its preferred design and the specialist contractors needed when involved in a museum refurbishment. It will also achieve greater value for money compared to the alternative outlined below. It is acknowledged that choosing this option does transfer additional contractual and financial risk to the Council, however taking a holistic perspective, the recommended option is the most appropriate option to progress with under these circumstances.

5. BACKGROUND

5.1 STRATEGIC POLICY CONTEXT

- 5.1.1 The report to recommend the Council Budget and Council Tax for 2025/26 considered by Council on 26 February 2024 sets out the original Capital Plan for 2025/26. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.
- 5.1.2 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** The two schools were identified for closure in the wider Education Sufficiency and Estate Strategy paper approved by Cabinet in December 2023. Governance of future uses for the sites now sits more corporately, within the Council's Corporate Asset Strategy process.
- 5.1.3 **Proposed Hackney Museum Refurbishment - Authority to enter into a**

Letter of Indemnity: Hackney Museum was established in 1986 to support Hackney Council's agenda for fairer community representation, anti-racist action, equitable access to community histories and creating a shared sense of place through a range of educational programmes. This need and purpose is still as relevant today, evidenced by the significant level of community consultation undertaken to design the Museum refurbishment project and the community participation activities. This demonstrates engagement and consultation with communities alongside an assessment of their needs and an ability to evidence the link between the design and delivery of the museum's services.

5.2 **OPTIONS APPRAISAL (DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED)**

5.2.1 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** The option of holding the schools without exploring future options was considered and rejected. It would commit the Council's Education Service to ongoing costs for security, maintenance and all other charges arising with no tangible proposals to bring the buildings and sites back into positive use.

5.2.2 Initial options were formulated through the Council's Asset Review Team's appraisal process and guided by the Council's Strategic Asset Management function with input from stakeholders across the Council. This work identified the best use for these sites as residential, with a primary focus on provision of temporary accommodation on account of Hackney's acute housing shortage and need for temporary accommodation, along with consideration of general needs affordable housing or other tenures.

5.2.3 The Council's Asset Review process indicated that the two sites could provide up to 101 new homes in total through conversion of the existing historic school buildings and infill development on the playground areas. This capacity is estimated based on general needs housing space standards.

5.2.4 The studies were based on high level information. Detailed survey, design and appraisal work is now required to gain an accurate picture of the options available. These outputs will feed into financial appraisals and provide robust information to inform strategic decision-making on the future use of these two sites.

- 5.2.5 **Proposed Options for Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** A detailed exercise was undertaken in 2023 to consider the most appropriate option to adopt to carry out the detailed design and then deliver the refurbishment works. This analysed the ability to select both the Council's preferred designer and the specialist contractors required, risk transfer as well as procurement, delivery and overall value for money.
- 5.2.6 The alternative option would have been for the Special Purpose Vehicle to carry out the detailed design, procure a contractor and deliver the works. This option would have transferred more contractual and financial risk to the Special Purpose Vehicle, but at a significant financial cost and loss of control to the Council.
- 5.2.7 A critical factor to note in making the options assessment is the type of works proposed. The more complex the works, the more opportunity there is for risk to arise. The proposed works are largely limited to the replacement of the existing Furniture, Fixtures & Fittings (FF&E), upgrading cables and the relocation of floor boxes and small power. There are no structural works, no major changes to either the existing building systems or services, nor impacts on fire compartmentation. All these types of works would have resulted in a higher risk profile and the alternative option most likely being selected.
- 5.2.8 A detailed comparison of the 2 options against key criteria can be found at Appendix 5.
- 5.3 **EQUALITY, INCLUSION, DIVERSITY AND BELONGING (INCLUDING STATUTORY EQUALITY IMPACT ASSESSMENT)**
- 5.3.1 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** Decisions about any school organisation changes should promote equality of opportunity to access a good or better local school. In terms of the protected characteristics, all proposals arising from the Council's Education Estates & Sufficiency Strategy will be subject to equality impact assessments, specifically, age, disability, race, belief and religion.
- 5.3.2 The Council has undertaken an equality impact assessment with reference to the changes to the schools estate operation, and statutory consultation in relation to the decision to close the two schools referred to in this report.
- 5.3.3 Future use proposals developed for the two school buildings and sites will be subject to equality impact assessments.
- 5.3.4 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** There will be no adverse equality issues resulting

from the refurbishment of Hackney Museum and it is not subject to a statutory EIA. The refurbishment will meet all relevant British Standards and Building Regulations.

5.4 **SUSTAINABILITY AND CLIMATE CHANGE**

5.4.1 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** The proposals in this report will enable the council's REHD team to identify and explore options in depth and formulate proposals to make the optimum use of each asset, aligned to the council's strategic priorities.

5.4.2 Proposals will be developed with full regard to sustainability requirements such as energy performance, renewable energy generation, environmental impact, e.g. surface water management, urban greening and biodiversity opportunities, linked to the council's Climate Action Plan (CAP) objectives.

5.4.3 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** Hackney Museum aims to manage its activities, buildings and resources to promote environmental sustainability. This is to conserve and enhance natural resources and to prevent excessive waste to bring about continual improvement in its environmental performance. While corporate initiatives such as effective waste management are followed across campus sites, specific considerations for Hackney Museum are part of its Environmental Plan and built into the refurbishment project.

5.4.4 All supplier bids for the design and delivery of the Museum refurbishment include an evaluation against sustainability. The successful bidder for the Principal Contract will need to prioritise local suppliers where possible. They should consider recycling and reuse where possible from the existing Museum fittings. Suitable display cases will be kept by the Museum for future temporary exhibition or offered to other organisations for their use. Within the new designs, low-tech interactives made from sustainable materials have been prioritised where possible. Where appropriate we will specify FSC timber products and paints with low Volatile Organic Compounds (VOC) with water-based eggshell paint finishes, which are eco-friendly and compostable. LED lighting will be fitted, bringing existing lights up to date and replacing outstanding halogens lamps.

5.5 **CONSULTATION/ENGAGEMENT**

5.5.1 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** Relevant consultations were carried out in respect of the decision to close both schools as required. REHD will commission consultants, including a design team, to explore options to identify the best strategic fit to make the optimal use of the two historic former school buildings and their sites, through options appraisals and feasibility studies for each one. The project brief will focus particularly on the ways in which each site can contribute to delivering urgently needed temporary accommodation

provision across the borough.

5.5.2 This exercise will involve engagement with a range of internal clients (including elected members of the council) and external stakeholders. A communications plan and delivery model will be developed in tandem with the design work.

5.5.3 Details of stakeholder engagement would be included in any future detailed reports to Cabinet.

5.5.4 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** Though formal public consultation is not required for the improvement of Hackney Museum, two rounds of engagement have taken place, in 2019 and again in 2023. Together with c. 10 years of evaluation data, this has provided insights and ideas from Museum users and non-users, and staff and stakeholders. The ideas and insight they shared were used to shape the content and spatial layout for the refurbished Museum, and 4 year community engagement and participation programme. Community participation will also create some of the content for the refurbished Museum.

5.5.5 Being clear about limitations (budget and scope) the service engaged stakeholders in a phased engagement programme to reimagine the Museum. During each phase, regular meetings were also held with the building owners, and the Council teams such as Regeneration, Legal and Property to ensure key stakeholders are kept informed of the project's progression and involved in inputting at key stages. A project team, Project Board and Director-level Board provide governance for the project as it progresses.

5.6 RISK ASSESSMENT

5.6.1 The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks outside of these will be recorded on departmental or project based risk registers as appropriate.

5.6.2 **Proposed Detailed feasibility studies and options appraisals for the De Beauvoir and Randal Cremer primary schools:** The key risk is incurring the full amount of pre-development cost and ultimately not securing DfE approval for the recommended change of use. Mitigation for this is early and consistent engagement with the DfE. The Education Property Lead has entered into initial discussions with the DfE regarding the change of use. The DfE has allocated a resource to guiding the council through this application process and reviewing proposals at the appropriate

stage. This early engagement significantly reduces the risk of incurring significant abortive costs.

- 5.6.3 Further mitigation is embedded within the options review process. It will include a Stop/Go review at the end of each project stage, using the industry standard RIBA stages of work. Approval will be sought through the appropriate level corporate decision making forum at the end of RIBA Stage 1 to take the preferred option(s) forward, resulting in the production of outline designs and business cases including delivery strategies for consideration and decision making at the end of RIBA Stage 2.
- 5.6.4 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** The key consequence of entering into the Lol is the requirement for the Council to accept an uncapped financial liability for losses incurred by the Special Purpose Vehicle as a result of, or as a consequence of, the works being carried out.
- 5.6.5 A detailed commentary on the key clauses of the Lol, provided by the Council's external legal advisers (Bevan Brittan), is set out in Appendix 6 (Exempt).
- 5.6.6 The Council's Head of Insurance Services has been engaged from an early stage of this project and is generally satisfied that whilst the PFI property arrangements are challenging, the proposed insurance arrangements are satisfactory. A detailed commentary on the insurance position is set out in Appendix 7.

6. FINANCIAL IMPLICATIONS

- 6.1 The gross approved Capital Spending Programme for 2025/26 currently totals **£509.564m (£332.354m non-housing and £177.210m housing)**. This is funded by discretionary resources, borrowing, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.

Current Directorate	Updated Budget Position	Nov 2025 Cabinet	Capital Adjustments	Re-profiling (Phase 1)	Updated Budget Position
	£'000	£'000	£'000	£'000	£'000
Chief Executive's	28,140	0	3,500	(5,600)	26,040
Adults, Health & Integration	2,060	0	0	0	2,060
Children & Education	17,834	0	0	(3,019)	14,815
Finance & Corporate Resources	116,127	770	0	(3,282)	113,616
Climate, Homes & Economy	168,192	2,611	(963)	(7,039)	162,801

Current Directorate	Updated Budget Position	Nov 2025 Cabinet	Capital Adjustments	Re-profiling (Phase 1)	Updated Budget Position
Total Non-Housing	332,354	3,381	2,537	(18,940)	319,333
Housing	177,210	0	0	(2,710)	174,500
Total	509,564	3,381	2,537	(21,650)	493,832

6.2 The recommendations in this report will result in a revised gross capital spending programme for 2025/26 of **£493.832m (£319.333m non-housing and £174.500m housing)**.

6.3 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** The initial cost estimate for a full range of survey, design and consultancy commissions to RIBA Stage 2 is c. £1.917m. This is based on reference to the Council's live New Homes Programme (NHP) fees budget and is necessarily indicative and high level at this stage. The actual sums will be market tested and determined by the outcome of competitive procurement exercises.

6.4 The indicative costs have been benchmarked against costs from recent procurement exercises and appointments within the Council's Housing Regeneration and Delivery service. Spend is anticipated over three financial years commencing with survey and initial consultancy costs in 2025/26.

6.5 An indicative breakdown of initial estimate of spend by cost element, design stage and financial year is shown in the table below. The majority of spend would be incurred in the 2026/27 and 2027/8 financial years throughout RIBA stages 1 and 2.

Cost item	Total	Design stage		
		Pre start	RIBA 1	RIBA 2
		Financial year		
		2025/6	2026/7	2027/8
Consultants including design team	£1,353,000	£25,000	£664,000	£664,000
Planning	£91,000	£5,000	£43,000	£43,000
Surveys and investigations	£270,000	£220,000	£25,000	£25,000
Engagement	£6,000	£2,000	£2,000	£2,000
Land Assembly	£3,000	£3,000	£0	£0
Red Book valuations	£20,000	0	£10,000	£10,000
Sub total	£1,743,000	£255,000	£744,000	£744,000
10% contingency	£174,300	£25,500	£74,400	£74,400
Total	£1,917,300	£280,500	£818,400	£818,400

- 6.6 **Proposed Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** Accepting an uncapped liability is not an option which should be selected without a detailed analysis of the likelihood of the liability arising and the alternatives available. This analysis has been carried out.
- 6.7 Taking into consideration the mitigations set out in this report, including the scope and type of work being procured, the insurance policies in place, and the challenges associated with the alternative option, the recommended option is supported.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by Deirdre Worrell, Interim Director, Finance Management
Email: Deirdre.Worrell@hackney.gov.uk
Date: 7 November 2025

7. **PROPERTY IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS**

There are no property implications arising from this report.

Property implications prepared on behalf of the Group Director Finance & Corporate Resources by Chris Pritchard, Director, Strategic Property Services,
Email: chris.pritchard@hackney.gov.uk
Date: 7th November 2025

8. **VAT IMPLICATIONS ON LAND AND PROPERTY TRANSACTIONS**

There are no VAT Implications arising from this report.

VAT implications prepared on behalf of the Group Director Finance & Corporate Resources by Deirdre Worrell, Interim Director, Finance Management Email: Deirdre.Worrell@hackney.gov.uk
Date: 7 November 2025

9. **HR/OD IMPLICATIONS**

There are no HR implications to the recommendations within this report for the proposed Hackney Museum refurbishment or the reuse of the assets set out in this report.

With the investment in the 4 year digital transformation this will provide our workforce with the necessary skills and abilities to transform how we work

and deliver our services to residents. It is essential that training is built into delivery plans to enable our workforce to develop.

HR/OD implications prepared on behalf of the Director of HR/OD by Tina Dempsey, Assistant Director HR & OD
Email: tina.dempsey@hackney.gov.uk
Date: 13 November 2025

10. LEGAL IMPLICATIONS

- 10.1 The Group Director, Finance & Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 10.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
 - (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.
- 10.3 Proposals for capital spending shall be submitted to Cabinet for acceptance into the capital programme recommended to Full Council for adoption (paragraph 2.17, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 10.4 Once the capital programme has been approved, Cabinet exercises control over capital spending and resources and may authorise variations to the capital programme provided such variations are within available resources and are consistent with Council policy (paragraph 2.18, Financial Procedure Rule FPR2, Section A, Part Five of the Council's Constitution).
- 10.5 Section 106 Town and Country Planning Act 1990 permits anyone with an interest in land to enter into a planning obligation which is then enforceable by the local planning authority. Planning obligations are private agreements intended to make acceptable developments which would otherwise be unacceptable in planning terms. Frequently such obligations require the payment of a financial contribution to compensate for the loss or damage created by the development or mitigate against the development's impact. Local authorities must have regard to the legal tests laid down in

Regulation 122 of the Community Infrastructure Levy Regulations 2010 prior to requiring a developer to enter into a s106 obligation. Hackney Council approved the Planning Contributions Supplementary Planning Document on 25 November 2015 under which contributions are secured. Once completed, s106 agreements are legally binding contracts and financial contributions can only be used for the purposes specified within the obligation itself.

- 10.6 The Council also receives payments under the Community Infrastructure Levy Regulations 2010 based upon the Council's adopted charging schedule adopted in 2015 (this is separate to the Mayor of London's CIL). The Council's adopted Regulation 123 list details the infrastructure that the payments received will be spent upon. In addition, there is a neighbourhood element to CIL and areas where development is taking place will receive a proportion of the receipts to be spent in local neighbourhoods, this includes the Hackney Community Fund.
- 10.7 **Proposed Options Review of De Beauvoir and Randal Cremer Primary Schools:** A change of use of education land is determined by the Local government Act 1972. S77 of the School and Frameworks Act 1998 and Schedule 1 of the Academies Act 2010.
- 10.8 The legislation referenced at 10.7 will require Secretary of State consent to change the use of education land.
- 10.9 **Hackney Museum Refurbishment - Authority to enter into a Letter of Indemnity:** The recommendation in paragraph 3.8 of this Report regarding entering into a Letter of Indemnity with NU Technology and Learning Centres (Hackney) Limited in respect of refurbishment works at Hackney Museum is a key decision under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, as it is an executive decision, which is likely (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority. Key decisions can be made by Cabinet under Article 13.6 of the Constitution and therefore this decision is being presented to Cabinet for approval.
- 10.10 In order to proceed with the refurbishment works at Hackney Museum the Council will need to enter into the Letter of Indemnity with the Special Purpose Vehicle which operates the Technology & Learning Centre. The letter requires the Council to take on various liabilities and obligations. Consideration of the relevant financial, insurance and legal issues surrounding this are set out in this Report.

- 10.11 The Council has received external legal advice from Bevan Brittan LLP regarding the Letter of Indemnity.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by:
Georgia Lazari, Team Leader Places
Email: georgia.lazari@hackney.gov.uk
Date: 14 November 2025

10. CAPITAL PROGRAMME 2025/26

10.1 FINANCE AND CORPORATE RESOURCES

- 10.1.1 **4 Year Digital Transformation Programme:** Resource and spend approval of **£9,378k (£770k in 2025/26, £1,536k in 2026/27, £3,536k in 2027/28 and £3,536k in 2028/29)** is requested to enable Council Officers to implement the 4 year Digital Transformation Programme. which is integral to the Council's strategic vision to deliver a new Target Operating Model (TOM) to make it easier for Council staff to do their role, freeing up time and capacity, which will increase productivity. The Council's ICT and Digital Transformation is at the core of this programme to deliver the Council's ambition of seamless digital services for our residents using the best of modern technology, digital and data approaches for our users.

The programme will initially go through a discovery and feasibility phase to understand Hackney's future systems landscape which will help to identify its procurement and investment requirements. The overall Corporate Transformation Portfolio is governed by the Council's Corporate Leadership Team (CLT) and will provide the overall strategic oversight of the programme and high-level matters escalated for decision. The programme will be delivered in a 3 year phased approach as set out below:

Phase 1 (year 1) Foundations and early delivery:

- Establish the function and recruit team members to deliver this programme of work
- Four teams to begin early discovery on the top priority areas to:
 - Web forms
 - Resident web portal
 - Enforcement case management system
 - CRM / single case management system
 - HR / finance system
 - Social Care case management
 - Work will be undertaken to rationalise the current state of Hackney's application landscape and reduce the number of similar systems which are offering duplicative services.
 - Action plan and costing for cyber assurance

- Discovery and costing for tech review
- Data quality

Phase 2 (year 2) Key project implementation:

- Business cases for the first discovery projects listed above will be developed to move into an implementation phase
- Online forms development and rationalisation
- Portal and SSO (Single Sign On)
- Add systems for regulatory services
- Add API's work for systems that will remain
- Continue automation and set up Centre of Excellence
- Develop single view of resident and debt
- Implementation of projects based on availability of capital funding and senior officer's agreement.
- Future programme of discovery work.

Phase 3 (2027/28 and 2028/29) Scaled implementing and future proofing:

- Business cases for phase 2 discovery projects submitted to secure appropriate resource to roll out these changes
- Completed implementation of key solutions identified in phase 1
- Establishing support models and long term structures in the Council's ICT and service areas to move into 'Business As Usual' support on all services

This project will bring about the following improvements and enhancements in the following areas:

- Web Form: Discovery into the best approach to a consolidate web form package to complement the website replatforming (completing in early 2026)
- Resident Web Portal: Discovery into how to deliver a single sign in portal to encourage self-service for the top resident facing services, including understanding the return on investment.
- Enforcement case management system: Discovery into the best procurement route to implement a case management system(s) to support enforcement services which remain without a high functioning workflow system. This has the potential to support higher revenue collection in enforcement services.
- CRM (Customer Relation Management) / Single Case Management System: Discovery into the organisational needs for a single case management approach to determine whether a CRM is required and what the potential return on investment could be
- HR / Finance System: Discovery into the options for introducing a fit for purpose to replace our existing products, this will be a key enabler of the workforce transformation programme in the medium term.
- Social Care Case Management: Discovery into the procurement options available to meet the needs of ASC and CSC at the end of the

current contract to make the most of cutting edge technology in this space.

The programme will affect all services and all residents that access Council services. Therefore, it will engage with external stakeholders and external partners throughout the programme and seek residents input in the discovery and proposed improvement activities. The recommended improvements will be developed using design principles informed by Hackney’s equality policy, ensuring that accessibility and inclusion for all diverse communities are fundamental aspects of any changes. This ambitious project will drive substantial advancements in the key areas:

- Capacity release and/or organisational redesign
- Reduced spend on digital platform licensing through rationalisation of systems and webform tools
- Improved resident satisfaction
- Improve service provision to residents
- Improved staff satisfaction

This capital investment into the Council’s digital transformation will form the backbone of the wider organisation’s transformation. This project has the potential to make a significant and lasting impact on the community and demonstrates the Council’s commitment to putting residents first and transforming both our services and the way we work to become a modern, innovative and creative organisation. This capital project supports all the Priorities in the Council’s 2018-2028 Sustainable Community Strategy. This approval will have an impact on the corporate programme as the project will be funded by borrowing done by the local authority.

Project Milestone	Est. Completion Date
Discover and feasibility stage	31/3/2026
Delivery of phase one improvements	31/3/2027
Delivery of phase two improvements	31/3/2029

10.2 CLIMATE, HOMES & ECONOMY

10.2.1 **Parking CCTV Camera Upgrade:** Resource and spend approval of **£262k in 2025/26** is requested to upgrade the Parking CCTV cameras around the borough that have now reached their end of life. Hackney council first introduced Lanewatch units in 2016, primarily to enforce Bus lane and various other banned turn restrictions. Over time enforcement capabilities expanded and by 2018, Hackney Council operated approximately 35 lanewatch units. Currently, CCTV enforcement is active at 115 sites, including Low Traffic Neighbourhood Schemes (LTNs), School Pedestrian Zones, Banned Turns, School Keep Clear sites, Bus lane and No Entry restrictions. The project is to upgrade the hardware of all 35 units,

converting them into MK4 models. The 35 Lane watch units introduced were Generation one units which operate on Windows 7 and Windows 8 operating systems. The expected lifespan of these units is 7 years and they are now approaching the end of their operational life. As such, both operating system and hardware upgrades are necessary to maintain performance and compliance. This upgrade will extend the units operational life span and provide:

- Improved physical security with our latest security bracket
- Compatibility with future software updates
- Reduced downtime and maintenance due to aging hardware
- Increased flexibility due to the additional support of Stop Vehicle Detection (SVD)

The 35 Lanewatch units that require upgrade have issued approximately 49,289 PCNs over the last 8 months, that is an average of 6,161 PCNs each month. This is a significant revenue income to the Council's Parking Services. Based on these figures, the cost of the hardware upgrade of £261,931.18 is expected to be recovered within the first few months. The parking cameras contribute to the improvement of drivers and compliance around the borough which contributes to reduced air and noise pollution.

This capital expenditure will continue the improvement of compliance across the borough as well as securing the revenue generation of the 35 cameras in the years to come. This demonstrates the Council's commitment to tackling climate change and improving local air quality. This capital project supports the Council's 2018-2028 Sustainable Community Strategy Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth' and Priority 3 'A greener and environmentally sustainable community which is prepared for the future'. This approval will have no net impact on the capital programme as it will be funded by revenue contributions held by the Local authority.

Project Milestone	Est. Completion Date
Order Placed	1 December 2025
Camera Works Done	28 January 2026

- 10.2.2 **EV Charge Points Refresh:** Resource and spend approval of **£3,450k (£1,610k in 2025/26 and £1,840k in 2026/27)** is requested to continue the borough wide programme of installing electric vehicle charge points. The project is to continue the rollout programme of installing new Electric Vehicle charge point sockets with an associated dedicated parking bay for EV charging. The borough wide electric vehicle programme has successfully delivered almost 40% of its original programme with 1400 charge points yet to deliver to meet the 2700 target in the next two years.

The builds upon the original budget of £893k approved by October 2022 Cabinet which was intended to cover internal costs that could not be covered directly by the partners with the expectation that this capital would be repaid with future revenue surplus from the EV programme.

The Council was successfully awarded a total of £1,960,720 of external funding from the LEVI (Local Electric Vehicle Infrastructure) which supports local authorities in England to plan and deliver chargepoint infrastructure for residents without off-street parking. The funds were awarded from the LEVI pilot fund, LEVI Capital Fund, LEVI Capability Fund Round 1 and 2. The delegated powers reports dated 15 March 2023, 21 March 2024, 13 October 2025 and the OFP Cabinet report dated 26 February 2024 (Key Decision No. FS215 para 3.2) gave approval to accept the grant agreements with the grant conditions and gave resource and spend approval to enable Council officers to proceed with the delivery of the EV programme. This significant capital investment will deliver:

- A borough wide network of EV charge points that are forecast to produce surplus revenue for the Council over the length of the contracts.
- A surplus revenue generated to support active and sustainable travel projects that support the Council's wider aims to reduce private vehicle use.

The project delivery will be integrated into the existing delivery schedule for the borough-wide EV charge point programme with anticipated completion date December 2027. Staffing costs will be paid from the EV programme budget and maintenance of the assets is to be undertaken by the operator. The operator will install and maintain charging infrastructure under the existing contract awarded to them in July 2022 which meets all the Council's requirements as set out in the tender. Procurement of the suppliers is already complete. This project fully contributes to Net Zero targets set by the Council to improve air quality and reduce CO2 from local transport. This project has attracted a considerable amount of private funding to install EV infrastructure and will secure both jobs and training opportunities directly linked to the project.

This capital expenditure demonstrates the Council's continuing commitment to improving air quality and CO2 reduction from transport, creating employment opportunities, as well as creating an increased revenue stream for the Council that will provide funding to active and sustainable travel. This meets Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth', Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 5 'A borough with healthy, active and independent residents' of the Council's Sustainable Community Strategy 2018-2028. This approval will have no net impact on the capital programme as it will be part-funded by supplier contributions held by the authority and grant

contributions.

Funding Sources	£	£	£
Capital supplier contributions	£1,209,804	£1,159,804	£2,369,608
Capital grant contributions	£400,000	£680,000	£1,080,000
Total Cost of Project	£1,609,804	£1,839,804	£3,449,608

Project Milestones	Est. completion date
1060 Sockets Delivered	2025/26
344 Sockets Delivered	2026/27
Project Close	Q4 2026/27

- 10.2.3 **Dockless Cycle Hire Refresh:** Resource and spend approval of **£1,369k (£740k in 2025/26 and £630k in 2026/27)** is requested to continue the borough wide programme of the dockless cycle hire scheme. The current project sets out plans to deliver an additional 200 cycle hire bays over the next 24 months and the associated capital works programme to deliver the necessary cycle parking infrastructure on the highway. This approval will cover the additional costs associated with contract management that will ensure the outcomes of the contract are met and that the Service is delivered safely and in the wider interests of Hackney residents.

All costs incurred by the Council, related to the management of the service, are expected to be paid for by the operators. Although the service will be delivered through a concessionaire agreement at zero cost to the Council, there will be both revenue and capital costs that will be incurred in order to deliver the contractual commitments and to support the contract management, so that the service can be delivered in line with the expectations set out in the tender. These costs will be recovered for the operators over the contract term. This approval will bring about the following benefits and outcomes:

- **Health and Wellness:** It will provide health benefits through exercise for our residents.
- **Improvement of air quality and carbon reduction:** Promotes eco-friendly transport by reducing emissions and congestion.
- **Accessibility and Equalities:** Makes cycling more accessible for those who do not own a bike at an affordable price to users.
- **Indirect savings:** Residents who decide to swap their fossil fuel cars to sustainable modes of transport available in the borough including dockless cycle hire. In addition, tariffs have been secured through the

procurement that would result in trips of 30 minutes being the same price as a bus fare.

The scheme will operate at zero cost to the Council initially, as it is a concessionaire agreement, but will have capital and revenue costs for management and to meet contractual obligations. These costs will be partially covered by fixed fees and a revenue share from the operator. While the high quality of the tender submissions is positive, they indicate a need for additional Council resources for proper contract management to ensure service safety and quality.

- Budget oversight: Budgets and revenue will be managed under the Council's Streetscene Service.
- Cost recovery: The scheme has both fixed and variable costs for the Council to deliver and manage. Initial estimates for these costs were used in the tender, which included fixed fees from the operator (Service Operation Fee and Cycle Training Operator Voluntary Contribution).
- Additional revenue: The tender also included a revenue share, allowing the Council to recover variable costs and capture surplus revenue.
- Contract management: The scale and ambition of the project will require additional Council staff to ensure proper contract management and to meet safety and quality expectations.
- Surplus revenue: Any surplus revenue beyond the Council's costs will be considered through normal financial decision-making processes.

This capital expenditure demonstrates the Council's continuing commitment to improving air quality and CO2 reduction from transport, creating employment opportunities, as well as creating an increased revenue stream for the Council that will provide funding to active and sustainable travel. It is also tackling inequalities, ensuring all residents in Hackney have the best start in life and live a fairer, safer and active life. This meets Priority 1 'A borough where everyone can enjoy a good quality of life and the whole community can benefit from growth', Priority 3 'A greener and environmentally sustainable community which is prepared for the future' and Priority 5 'A borough with healthy, active and independent residents' of the Council's Sustainable Community Strategy 2018-2028. This approval will have no net impact on the capital programme as it will be funded by supplier contributions held by the authority.

Project Milestone	Est. completion date
Deliver 100 cycle hire bays	March 2026
Deliver 100 cycle hire bays	March 2027

11. S106 for Noting

The s106/CIL Board Meeting dated 19 December 2022 considered the following bids for resource and spend approval. As a result £45k in

2026/27 will be spent in accordance with the terms of the appropriate s106 agreement.

Agreement No.	Project Description	Site Address	2026/27 £'000
2018/2948	Highway Works 2-16 Bayford Street	2-16 Bayford Street, Hackney, London, E8 3SE	45
Total S106 Capital for Noting			45

12. Q2 CAPITAL MONITORING 2025/2026

This is the second OFP Capital Programme monitoring report for the financial year 2025/26. The actual year to date capital spend for the six months April 2025 to Sept 2025 is £82m and the forecast is currently £474.0m, £31.7m below the revised budget of £505.8m. This represents a forecast spend of 88% of the approved budget of £539.4m, approved by Cabinet in February 2025 (Council's Budget Report). Each financial year, two re-profiling exercises of the capital programme are carried out in order that the budgets and monitoring reflect the anticipated progress of schemes. A total of £21.6m (phase 2 re-profiling) will be transferred to future years as set out in Appendix 2. A summary of the forecast and phase 2 re-profiling by directorate is shown in the table below along with brief details of the reasons for the major variances. The main reasons for the forecast variance are:

- Cost optimisation and early works and the viability of schemes as well as the availability of construction materials resulting in delays to start times (e.g. Estate Regeneration and Housing Supply)
- External factors determining programme, long lead times for equipment or requiring a review of the scheme (e.g. Leisure, Parks & Green Spaces)
- Acquisitions not completing (e.g. Temporary Accommodation and HRA Buybacks)
- Supply chain issues and delays for schemes requiring Heritage approval (e.g. Decarbonisation schemes and Strategic Property)
- Schemes requiring public notices and consultations, increase scope of works and further design consultations (e.g. Streetscene and Children and Education)

A summary by the directorate is shown in the table below along with brief details of the reasons for the major variances.

Summary of the Capital Programme

Capital Programme 2025/26	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance (Under/O ver)	Capital Adjustments	Re-Profiling	New Bids	Revised Budget 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's	18,300	28,140	3,315	22,530	(5,610)	3,500	(5,600)	0	26,040

Capital Programme 2025/26	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance (Under/Over)	Capital Adjustments	Re-Profiling	New Bids	Revised Budget 2025/26
Adults, Health & Integration	342	2,060	396	1,640	(420)	0	0	0	2,060
Children & Education	18,784	17,834	2,909	15,083	(2,751)	0	(3,019)	0	14,815
Finance & Corporate Resources	20,848	11,047	1,155	7,621	(3,427)	0	(3,282)	1,650	9,416
Mixed Use Development	75,947	104,200	27,131	104,200	0	0	0	0	104,200
Climate, Homes & Economy	211,945	165,262	16,664	156,580	(8,682)	(963)	(7,039)	2,930	160,190
Total Non-Housing	346,165	328,544	51,569	307,654	(20,890)	2,537	(18,940)	4,580	316,721
AMP Housing Schemes HRA	54,866	66,435	7,485	58,302	(8,133)	0	0	0	66,435
Council Capital Schemes GF	5,429	4,687	520	4,687	0	0	0	0	4,687
Private Sector Housing	1,928	40	1	40	0	0	0	0	40
Estate Regeneration	82,188	58,183	8,849	54,369	(3,814)	0	(3,815)	0	54,368
Housing Supply Programme	23,789	25,220	9,871	26,330	1,110	0	1,105	0	26,325
New Homes	9,728	6,827	1,765	6,827	0	0	0	0	6,827
Woodberry Down Regeneration	15,312	15,818	1,972	15,818	0	0	0	0	15,818
Total Housing	193,239	177,210	30,463	166,373	(10,837)	0	(2,710)	0	174,500
Total Capital Budget	539,405	505,754	82,032	474,027	(31,727)	2,537	(21,650)	4,580	491,221

12.1 CHIEF EXECUTIVES

The overall forecast for the overall Chief Executive's is £22.5m, £5.6m below the in-year respective budget of £28.1m. More detailed commentary is outlined below.

CX Directorate Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£000	£000	£000
Procurement and Energy Management	18,300	28,140	3,315	22,530	(5,610)
TOTAL	18,300	28,140	3,315	22,530	(5,610)

12.1.1 Procurement and Energy Management

The overall forecast is £22.5m, £5.6m below the in-year respective budget of £28.1m. The main spend this quarter is the Decarbonisation Project (Public Sector Decarbonisation Scheme Grant funded Scheme). This scheme is a summary of individual projects that will decarbonise heat for Council

buildings, which includes direct ways to reduce carbon emissions. Below is a brief update on the main variances:

- Phase 3b Funded Scheme - The forecast is £2m, £0.5m below the in-year respective budget of £2.5m. This project is to decarbonise heat in 9 sites using 3 Ground Source Heat Pumps (GSHP) and 4 Air Source Heat Pumps (ASHP). Significant progress has been made but some projects have been delayed whilst awaiting approvals from Heritage, Planning, and the Environment Agency (EA). Heritage approval for the ASHP was received at Stoke Newington Town Hall/Library (SNTH) and work has started on site but has been further delayed by the discovery of the old coal hoppers that had been boxed in which are the main cause of water ingress into the building. Despite being previously hidden and unknown, these require planning permission to be removed allowing the building to be dried out. Clissold Leisure Centre heating boreholes are now complete and awaiting final pump installation. Main GSHP nearing completion and commissioning is expected November 2025 but Environmental Agency approval is required for full implementation. London Fields Lido has been delayed due to technical risks and a switch to ASHP with no loss of expected performance - the major delay is the need for planning approval for a temporary boiler to enable the site to stay open during strip out works. This reduces cost and lowers risk but will delay the project. Sites completed are Queensbridge Leisure Centre, Millfields Primary, Holmleigh Primary and Homerton Library. The variance budget from 2025/26 will, therefore, be carried forward to the 2026/27 budget in line with the revised milestones.
- Phase 3c Funded Scheme - The forecast is £17.5m, £5m below the in-year respective budget of £22.5m. This project is for the installation of Air Source Heat Pumps (ASHP) into 17 sites. The programme is on time to be complete before 31 March 2026 except for the Hackney Service Centre, Kings Hall, Sir Thomas Abney (now Holmleigh, delayed due to the school merger) and 5 other schools which occupy listed buildings where Heritage Approval is needed. Finally Shoreditch Park Primary School is delayed because of the need to connect to the Colville/Britannia Heat Network. The Kings Hall project is delayed due to integration with refurbishment. The HSC project is delayed due to planning permission. The variance from 2025/26 will, therefore, be carried forward to the 2026/27 budget to reflect the revised milestones.

12.2 ADULTS, HEALTH & INTEGRATION

The overall forecast for the overall Adults, Health & Integration is £1.6m, £0.4m below the in-year respective budget of £2.1m. There is no material variance.

AHI Directorate Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£000	£000	£000
Adults, Health and Integration	342	2,060	396	1,640	(420)
TOTAL	342	2,060	396	1,640	(420)

12.3 CHILDREN AND EDUCATION

The overall forecast for the overall Children and Education is £15.1m, £2.8m below the in-year respective budget of £17.8m. More detailed commentary is outlined below.

C&E Directorate Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£000	£000	£000
Children & Family Services	1,204	2,170	222	1,742	(428)
Education Asset Management Plan	4,224	5,260	571	4,319	(942)
Education Sufficiency Strategy	1,000	500	0	465	(35)
SEND and Other Education	6,757	3,633	1,136	2,635	(998)
Primary School Programmes	2,691	3,958	702	4,029	71
Secondary School Programmes	2,908	2,313	279	1,894	(419)
TOTAL	18,784	17,834	2,909	15,083	(2,751)

12.3.1 Children & Family Services

The overall forecast for the overall Children & Family Services is £1.7m, £0.4m below the in-year respective budget of £2.2m. Below is a brief update on the main variance:

Children's Home - The forecast is £0.5m, £0.5m below the in-year respective budget of £1m. This project to create two children's homes by renovation of existing council properties has encountered some planning issues. Therefore, the variance has been carried forward to the 2026/27 budget to reflect the anticipated spend. It is expected that the project will complete early in 2026/27.

12.3.2 Education Asset Management Plan

The overall forecast for the overall Education Asset Management Plan (AMP) is £4.3m, £1m below the in-year respective budget of £5.3m. Below is a brief update on the main variances:

Woodberry Down Primary School - The forecast is £130k, £564k below the in-year respective budget of £694k. This project, for a comprehensive overhaul of all the windows, is at the planning stage awaiting submission. This forecast is based on the estimated spend for this quarter. The variance has been carried forward to the 2026/27 budget to reflect the likely timeframe of the project.

Development AMP - The forecast is £0.5m, £0.5m below the in-year respective budget of £1m. The development budget is to support additional schemes as they evolve and also the capitalisation of direct staffing costs. This forecast is based on the estimated spend for this quarter. The underspend will fund identified overspends across the overall capital programme.

12.3.3 SEND and Other Education

The overall forecast for the overall SEND and Other Education is £2.6m, £1m below the in-year respective budget of £3.6m. Below is brief update on the main variances:

Ickburgh Expansion - The forecast is £0.4m, £0.3m above the in-year respective budget of £0.1m. The variance is due to the procurement of the modular building that happened earlier than projected. The overspend will be funded by identified underspends in other SEND projects.

Comet Nursery and Children's Centre - The forecast is £0.7m, £0.3m below the in-year respective budget of £1m. The project completion is on target. The contract value was revised, hence the variance. The variance will support SEND overspends and the balance has been carried forward to the 2026/27 budget.

SEND Refurbishment - The forecast is £0.2m, £0.6m below the in-year respective budget of £0.8m. The expenditure in this quarter will be for the SEND works at Baden Powell. The project is delayed due to planning and ongoing consultations with stakeholders, hence the variance. The variance will, therefore, be carried forward to the 2026/27 budget to reflect the likely timeframe of the programme of works.

Contingency (Baden Powell & Hillside ARP) - The forecast is minimal spend against the in-year respective budget of £300k. This contingency budget is a recent addition and in the early initial stages. Therefore the underspend has been carried forward to the 2026/27 budget whilst decisions on SEND projects are being concluded.

12.3.4 Primary School Programmes

The overall forecast for the overall Primary School Programmes is £4m with

a minor overspend. Below is brief update on the main variances:

Schools Site Rationalisation - The forecast is £0.1m, £0.4m below the in-year respective budget of £0.5m. The schools identified for the rationalisation project are awaiting decisions on the extent of works required, hence variance. The underspend has been carried forward to the 2026/27 budget whilst decisions are being concluded.

Gayhurst Façade - The forecast is £0.3m, £0.2m above the in-year respective budget of £0.1m. The variance is due to additional health and safety works to the façades. The overspend will be funded by identified underspends in the overall programme.

Southwold Façade and Windows - The forecast is £0.6m, £0.3m above the in-year respective budget of £0.3m. The variance is due to the increase in the health and safety and emergency roof works that was necessary for compliance. Windows installation commenced in May 2025. The overspend will be funded by identified underspends in the overall programme.

12.3.5 Secondary School Programmes

The overall forecast for the overall Secondary School Programmes is £1.9m, £0.4m below the in-year respective budget of £2.3m. Below is brief update on the main variance:

Lifecycle Early Failure Contingency Budget - The forecast is £1.7m, £0.4m below the in-year respective budget of £2.1m. This is the contingency budget to cover the Fire Doors and reactive works across the overall programme. The forecast is based on the work expected to be completed by the end of the arfinancial year. Part of the underspend will be transferred to fund any overspends in the overall programme and the remaining budget will be carried forward to the 2026/27 budget.

12.4 FINANCE AND CORPORATE RESOURCES

The overall forecast for the overall Finance and Corporate Resources is £111.8m, £3.4m below the in-year respective budget of £115.2m. More detailed commentary is outlined below.

F&CR Directorate Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£000	£000	£000
Property Services	19,145	7,462	376	5,215	(2,246)
ICT	1,703	3,586	779	2,405	(1,180)
Total	20,848	11,047	1,155	7,621	(3,427)

Mixed Use Development	75,947		104,200	27,131	104,200	0
TOTAL	96,795		115,247	28,286	111,821	(3,427)

12.4.1 Strategic Properties Services - Strategy & Projects

The overall forecast for the overall Strategic Properties Services is £5.2m, £2.2m below the in-year respective budget of £7.5m. Below is a brief update on the main variances:

Corporate Accommodation - The forecast is £123k, £120k below the in-year budget of £243k. This project is the ground floor reconfiguration design of the Council's Hackney Service Centre which is one of the main corporate sites. Feasibility works are progressing with additional work needed to include the assessment of the potential reopening of the café and its integration into the ground floor layout; refreshing tired or worn areas through redecoration and carpeting where needed; and, exploring options to reshape staff meeting spaces, such as installation of large acoustic meeting booths on the upper floors. The variance will be carried forward into the next financial year in line with the spend profile of this project.

Hackney Town Hall Essential Lifecycle Works - The forecast is £0.1m, £0.2m below the in-year budget of £0.3m. The programme of works this financial year is the remedial works to the Parquet flooring and the replacement of Fire Doors to meet the compliance of Heritage Corridor Doorsets to current Fire Door Legislation. Any delays to this programme will be due to the granting of approvals from the Council's Conservation and Planning Department before works can be carried out. The variance will be carried forward to the 2026/27 budget to continue the works for this project.

Stoke Newington Town Hall and Assembly Hall Remedial Works - The forecast is £1.1m, £0.4m below the in-year budget of £1.5m. Phase 1 of removal of the ceiling asbestos is complete. Phases 2 and 3 are scheduled to commence in 2026 pending feasibility studies into: the heating and hot water system; refurbishment of the Assembly Hall; and upgrade of the Town Hall roofs. The variance will be carried forward to the 2026/27 budget to continue the next stage of the programme.

Voluntary & Community Sector (VCS) Fire Risk & Remedial Works (General Fund Properties) - The forecast is £1.2m, £0.5m below the in-year budget of £1.7m. This forecast is based on works to standalone properties due this financial year. This expenditure in this quarter will include Pedro Street detailed design and the seeking of additional external funding. Any surplus budget will be carried forward to the 2026/27 budget to continue the programme of work.

Corporate Asset (CA) Fire Risk & Remedial Works (General Fund Properties) - The forecast is £1.4m, £0.5m below the in-year budget of £1.9m. This overall forecast is based on the works due this financial year.

The contract for the lift replacement for '100-106 Leonard Street' has been awarded with completion due autumn/winter 2025. The design consultants for Christopher Addison House have been appointed to draw up strategies and tender documents for the renovation of defective external elevation cladding and internal fire compartmentation work. The variance will be carried forward to the 2026/27 budget to continue the programme of work.

Pedro Street Club Refurbishment - The forecast is £100k, £160k below the in-year budget of £260k. The Council's initial commitment to match external funding of £1.5m established an estimated project cost of £3m. Following comprehensive RIBA Stage 3 assessments, additional surveys, and detailed Cost Plan development, the updated project cost is now estimated at £5m. This revised estimate reflects a more in-depth understanding of project requirements. To address this, officers are actively pursuing additional funding avenues and will undertake a value engineering exercise to optimise costs and ensure efficient project delivery. The variance will be carried forward to the 2026/27 budget whilst decisions are being concluded.

12.4.2 ICT Capital

The overall forecast for the overall ICT Capital is £2.4m, £1.2m below the in-year respective budget of £3.6m. Below is a brief update on the main variance:

Security Services - The forecast is £0.3m, £1m, below the in-year budget of £1.3m. The programme of works is for the investment in modernisation of the CCTV infrastructure, technology and control room which is at the procurement stage. Suppliers are being evaluated and a further update on investments in tech that may come about this year will be done in the next quarter. The Project Manager anticipates the next stage of the project will be delivered in the next financial year, therefore, the variance will be carried forward to the 2026/27 budget.

12.4.3 Mixed Use Development

The overall forecast for the overall Mixed Use Development is in line with the in-year respective budget of £104.2m. There is no material variance this quarter. The Britannia Scheme is progressing and on target to spend the full in-year budget.

12.5 CLIMATE, HOMES & ECONOMY

The overall forecast in Climate, Homes & Economy is £156.6m, £8.7m under the revised budget of £165.3m. More detailed commentary is outlined below.

Climate, Homes & Economy Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£000	£000	£000
Leisure, Parks & Green Spaces	26,434	28,893	2,018	24,884	(4,008)
Streetscene	23,850	21,097	4,592	19,063	(2,035)
Environmental Operations & Other	2,500	11,175	4,453	8,676	(2,499)
Public Realms TfL Funded Schemes	320	2,931	162	2,934	2
Parking & Market Schemes	1,164	1,209	478	1,209	0
Community Safety, Enforcement & Business Regulations	11,197	584	67	527	(57)
Culture, Libraries and Heritage	4,560	6,078	227	3,890	(2,188)
Temporary Accommodation	135,477	86,098	3,980	87,859	1,762
Regeneration & Economic Development	6,443	7,196	688	7,538	342
Total	211,945	165,262	16,664	156,580	(8,682)

12.5.1 Leisure, Parks & Green Spaces

The overall forecast for Leisure, Parks & Green Spaces is £24.9m, £4m below the in-year respective budget of £28.9m. Below is the brief update on the main variances.

Essential Maintenance to Leisure Centres - The forecast is £0.9m, £0.7m below the in-year budget of £1.6m. This budget is to cover landlord obligations, reactive works and repairs that may occur at any time in the Leisure Centres across the borough. The spend forecast is based on the work expected to be completed by the end of this quarter. Ongoing repairs taking place with a focus on keeping Kings Hall Leisure Centre safe and operational. The Clissold Leisure Centre Wetside refurbishment is also being progressed but a viable procurement project management route for the works still needs to be approved. Any surplus budget from this year will be utilised in 2026/27.

Parks Strategy Infrastructure - The forecast is £1m, £0.3m below the in-year budget of £1.3m. This budget covers multiple "small scale" projects taking place in all of the Borough's parks and green spaces including works to fences, drainage, railings and walls, furniture and signage. The programme of works for 2025/26 is now being developed and will be delivered over the winter period.

Parks and Green Spaces Refurbishments - The forecast is £2.1m, £2.7m below the in-year budget of £4.8m. The significant amount of time to recruit the replacement Project Managers has impacted the start of projects. The nature of a number of the funded schemes is multi-year and therefore delivered across financial years. The first half of the year always involves the planning phase of various projects and little actual spending taking place. A significant amount of progress has been made since the last quarter such as works to resurfacing to Gainsborough Playing Fields, Mabley Green, Tennis Courts, MUGA, pathways, car parks, new goal posts, tree improvements to Lea river bank, refurbishments to Hackney Marshes grass pitch, refurbishments to park furniture, signage and outdoor gyms. The programme of works will continue in the next financial year, therefore, the variance will be carried forward to the 2026/27 budget.

12.5.2 **Streetscene**

The overall forecast for the overall Streetscene is £19.1m, £2m below the in-year respective budget of £21.1m. Below is the brief update on the main variances.

Highway Works S106 Funded Schemes - The forecast is £1.1m, £0.7m below the in-year budget of £1.8m. This underspend is largely due to schemes where Highway works can only be done once the developer's work is completed. The variance will be carried forward to the 2026/27 budget to reflect the anticipated spend.

Colvestone Crescent, Worship Street and Clifton Street - The forecast is £0.3m, £0.9m below the in-year budget of £1.2m. The schemes require consultation which is likely to take place in 2026/27 therefore the budget has been carried forward.

12.5.3 **Environmental Operations & Other**

The overall forecast for the overall Environmental Operations & Other is £8.7m, £2.5m below the in-year respective budget of £11.2m. The main spend in this area is the Council's cyclical fleet replacement of vehicles in Environmental Operations. For 2025/26 that includes the remaining delivery of the refuse vehicles that were ordered in quarter 4 in 2024/25. The next cycle of 60 fleet vehicles has been approved and subsequently the order will be placed. The variance budget has been carried forward to the 2026/27 budget to reflect the likely delivery of the vehicles.

12.5.4 **Culture, Libraries and Heritage**

The overall forecast for the overall Culture, Libraries and Heritage is £3.9m, £2.2m below the in-year respective budget of £6.1m. Below is the brief update on the main variance.

Stoke Newington Library (External Remedial Works) - The forecast is £1.6m, £0.5m below the in-year budget of £2.1m. The works to remove asbestos in areas affected by the external remedial works started in July 2025 and is expected to take 12 months to complete. Any variance in this financial year will be carried forward to the 2026/27 budget.

Library Capital Works - The forecast is £0.5m, £0.2m below the in-year budget of £0.7m. The programme of works this financial year will be the roof repair at Stamford Hill Library. The repair works commenced in August 2025 with completion due November 2025. The underspend will be carried forward to the 2026/27 budget to reflect the actual spend of the works.

Hackney Museum Refurbishment - The forecast is nil spend against the in-year budget of £0.5m. The project is at the tender stage but remains 3-4 months off schedule due to delays in internal permissions. The Letter of Liability will be approved by the November 2025 Cabinet and will enable Council officers to progress with the delivery of the works. The museum is expected to close by the end of 2025 for a year for the refurbishments. Any underspend will be carried forward to the 2026/27 budget in line with the anticipated spend.

Libraries and Clissold House Remedial Works - The forecast is £0.4m, £0.4m below the in-year budget of £0.8m. This project is at the early consultation and planning stage. The underspend will be carried forward to the 2026/27 budget to reflect the anticipated spend.

12.5.5 Temporary Accommodation (TA) Investment

The overall forecast for the overall Temporary Accommodation investment is £87.9m, £1.8m above the in-year respective budget of £86.1m. The overall budget for the investment in TA was £132.8m, part of which has been phased into 2026/27, therefore this in year overspend can be funded from within the overall budget. The forecast will deliver in excess of 150 additional homes for TA this financial year and there are a further 150 homes that will be delivered in 2026/27. It is likely that the forecast may increase throughout the year as more opportunities to purchase properties emerge in the market. Below is the brief update on the main variances:

104 Greenwood Rd - The forecast is nil spend against the in-year budget of £1m. This project is no longer going ahead, the allocated budget has been retained within the Temporary Accommodation capital budget.

Ridley Villas 33 & 37-47 Ridley - The forecast is £0.3m, £5.4m below the in-year budget of £5.7m. The project to reconfigure and refurbish Ridley Villas has a circa 18 month project programme with a 12 - 14 month construction programme. Due to uncertainties with the procurement process for the main contractor which the Corporate Capital Projects Delivery Team

is attempting to resolve. The project team is therefore not yet in a position to advise of the expected construction start date and hence provide a certain timeline for the expenditure of the project budget. At this point the expectation is that the majority of the project budget will be expended during the 2026/2027 financial year.

161 Queen's Drive - The forecast is £0.3m. This is a new acquisition of 34 specialist supported housing units in Hackney, scheduled for completion in September 2026. This strategic acquisition aims to alleviate the substantial financial burden of expensive, nightly-paid temporary accommodation and provide improved support for homeless adults with complex needs. The budget will be allocated and transferred from the overall Temporary Accommodation budget.

Temporary Accommodation (TA) Investment and Council Housing Acquisition Programme - The forecast is £60.1m, £8.8m above the in-year budget of £51.3m. This budget is a recent addition to the capital programme to fund the investment opportunities to the supply of Council owned and controlled TA properties. This forecast is based on the number of acquisitions expected in this financial year which may fluctuate and depend on external factors. The budget from future years will be transferred back into the 2025/26 budget to cover the anticipated spend currently in the pipeline for this programme.

Hostel Compliance Remedial Work, H&S Remedial Works (GF) - The forecast is £0.5m, £1m below the in-year budget of £1.5m. This forecast and the majority of this underspend is based on works to properties due in this financial year. The capital works programme has been delayed awaiting contracts to be signed with framework contractors. Whilst the remedial works are in the pre-contract stage mitigations are put in place to ensure that the risks are managed effectively to ensure that the residents remain safe in their homes. We work with our Corporate Health Safety & Wellbeing team to monitor these mitigations on a regular basis.

Remedial works are complex in nature, especially with vulnerable people and families in residence. Three quarters of a contract is used preparing detailed surveys, specifying and tendering, before getting on site. This preparation time reduces disruption to residents once the works are underway.

12.6 HOUSING

The overall forecast in Housing is £166.4m, £10.8m below the revised budget of £177.2m. More detailed commentary is outlined below.

Housing Capital Forecast	Budget Set at Feb Cab 2025	Budget Position	Actual Spend	Q2 Forecast	Variance
	£000	£000	£'000	£000	£000
AMP Housing Schemes HRA	54,866	66,435	7,485	58,302	(8,133)
Council Capital Schemes GF	5,429	4,687	520	4,687	0
Private Sector Housing	1,928	40	1	40	0
Estate Regeneration	82,188	58,183	8,849	54,369	(3,814)
Housing Supply Programme	23,789	25,220	9,871	26,330	1,110
New Homes	9,728	6,827	1,765	6,827	0
Woodberry Down Regeneration	15,312	15,818	1,972	15,818	0
Total Housing	193,239	177,210	30,463	166,373	(10,837)

12.6.1 Asset Management Plan (AMP) Housing Schemes HRA

The overall forecast in AMP Housing Schemes HRA is £58.3m, £8.1m below the in-year respective budget of £66.4m. Below is a brief update on the main schemes causing the variances:

HIPs Central (Seaton Point) - The forecast is £0.6m, £0.1m above the in-year respective budget of £0.5m. The project is complete and final accounts are anticipated in November 2025. The estimates for the recently introduced 'fire stopping' arrangements at the site are still pending. It has been previously reported that this project has faced access difficulties and challenges with scaffolding and re-pointing. Property Asset Management (PAM) is tasked with identifying funds from its existing resources to cover the projected overspend.

Contingency Budget - The forecast is £3.5m, £4m below the in-year respective budget of £7.5m. This funding will be used for internal and external improvements to the housing stock. This will reduce this budget for further disbursements later in the year.

Estate Lighting - The forecast is £0.3m, £0.5m below the in-year respective budget of £0.8m. The programme for this year has been revised downwards, and a new Sectional Commencement Agreement (SCA) will be prepared next year following a restructuring of the service. It has been proposed that this year's underspend be reallocated to cover cost overruns in other areas of PAM, specifically for expected dilapidations related to lifts and lateral mains emergency works.

Ventilation Systems - The forecast is £0.2m for which budget will be virement from the contingency budget. The contingency budget is held to respond to emerging defects/repairs which can occur throughout the year. Historically, spending in this area has focused on high-value remedial works.

The service (PAM) is tasked with identifying funds from its existing resources to cover the projected overspend.

Domestic Boiler Replacements and Central Heating - The forecast is £2.5m, £0.4m above the in-year respective budget of £2.1m. This spend relates to a planned programme of boiler replacements and also the identification of boilers that are beyond repair and require replacement, often identified during revenue repair call-outs or gas servicing inspections. This forecast has been based on previous years expenditure and spend to date.

Lift Renewals - The forecast is £0.8m, £1.8m below the in-year respective budget of £2.5m. The forecast reflects anticipated 'dilapidations' as a precursor for the lifts framework agreement currently in procurement; the underspend will be re-profiled for the upcoming financial year. This adjustment is necessitated by the ongoing tender process and the anticipated delay in awarding Agreed Maximum Price (AMP) contracts.

Boiler House Major Works - The forecast is £2.2m, £0.3m below the in-year respective budget of £2.5m. However, the anticipated cost of this project is approximately £3.2m over two years. This increase is primarily due to the new communal heating system installation at Kirkstead Court, higher material costs, design works, a new metal gate, contractor's incoming services and the necessary installation of emergency showers at Fellows Court. The onset of winter could see additional high value reactive works increasing the current forecast.

Social Housing Decarbonisation Fund: (SHDF Works) - The forecast is £3.7m, £0.6m above the in-year respective budget of £3.1m. This overspend, representing the Council's co-funding share under its grant agreement, has taken longer to deliver primarily due to delays caused by:

- protracted negotiations with external contractors
- resident availability impacting the delivery schedule
- as well as planning constraints within conservation areas.

The Department for Energy Security and Net Zero (DESNZ) has extended the completion deadline for the Wave 2.1 works to January 31, 2026. As per the funding agreement, an independent external audit of expenditure for DESNZ is required and is currently being arranged by the budget holder. It is possible that some grant funding may need to be repaid to DESNZ, but the exact amount is yet to be confirmed.

Planned Internal Work - The forecast spend is £4.2m to deliver kitchens and bathrooms in residents homes. Funding will be vired from the contingency budget which is held to respond to emerging defects/repairs which can occur throughout the year. The contracts for kitchen and bathroom rollouts currently in procurement and the signed contracts are expected before the end of this finance year when the roll out of this work will begin. Property

Asset Management (PAM) will also need to fund residual works brought forward from the previous year circa £0.157m.

CCTV Upgrade - The forecast is £1.0m, £0.2m below the in-year respective budget of £1.2m. The new legal entity, Building Safety Regulator (BSR), now requires the submission of applications for approval before external works can commence on properties. The service recognizes that additional time will be needed to compile and submit these applications, which will dictate the pace of its CCTV programme rollout. It is possible that the quarter 3 forecast may show more of the programme being deferred to next year.

Bridport - The forecast is £7.9m, £5.5m below the in-year respective budget of £13.4m. The underspend in the current year budget reflects the pace of the remediation and the complexity of the works. The latest completion date is early 2027.

Recycling Scheme - The forecast is £0.2m, £1m below the in-year respective budget of £1.2m. The spend in year mainly relates to internal staffing and design costs for Phase 6, with works commencing for this phase in 2026/27.

VCS Fire Risks & Remedial Works (HRA) - The forecast is £0.8m, £1m below the in-year respective budget of £1.8m. The Corporate Capital Projects Delivery Team plans to meet with clients, including the Voluntary Community Sector, to review and finalise the investment phasing for the upcoming three years, inclusive of the current year. The present forecast is preliminary and will be re-evaluated in quarter 3, pending a definitive works programme from the budget holder. Any unspent budget will be rephased into the 2026/27 financial year.

12.6.2 Council Schemes GF

The overall forecast in Council Schemes GF is £4.7m, which is in line with the current budget. Below is a brief update on the main schemes:

Temporary Accommodation Voids Works - The forecast is £1.6m, which is in line with budget. The majority of spend relates to void units on Regeneration Estates that are being used as Temporary Accommodation (TA). There is significant demand for these units and where financially viable works will be completed to ensure they can be used as TA. However, costs are increasing and the team are looking at options around the specification to try and reduce spend where possible. Any new units made available will be a cost saving to the General Fund.

Purchase Leasehold Properties - The forecast is £2.8m, which is in line with budget. Spend in year will be on acquisitions relating to the Local Space Deal and the Local Authority Housing Fund (LAHF). Both of these will be part funded by either grant or Right to Buy (RTB) 1-4-1 receipts.

12.6.3 Private Sector Housing Schemes

There is no material variance.

12.6.4 Estate Regeneration Programme (ERP)

The overall forecast in Estate Regeneration is £54.4m, £3.8m below the in-year respective budget of £58.2m. Below is a brief update on the main schemes causing the variances:

Colville Phase 2C - The forecast is £25.3m, £1.9m below the in-year respective budget of £27.2m. Works on site have started and are progressing well. The estimated project completion date is winter 2026. The underspend compared to quarter 1 is due to the phasing of the cashflows, with a higher proportion now likely to be spent in 2026/27, but with no delay to the project completion date.

Colville Phase 4,5,6 & 7 - The forecast is £7.9m, £1.9m below the in-year respective budget of £9.8m. 9 Leaseholder buybacks are expected to complete within the year, which is slightly less than expected at quarter 1. The remainder will complete in 2026/27. Other spend includes legal advice, Employers Agent fees, Development advice, Planning advice and architects fees, as the designs are progressed and options are considered for these phases.

Nightingale - Block E - The forecast is £5.1m, £0.1m above the in-year respective budget of £5m. Cost optimisation and early works are progressing well and should be complete by the end of the financial year. Main construction works are now expected to start in quarter 4 of 2025/26.

12.6.5 Housing Supply Programme

The overall forecast of the Housing Supply Programme is £26.3m, £1.1m above the in-year respective budget of £25.2m. Below is a brief update on the main scheme causing the variance:

Buckland Street - The forecast is £11.6m, £1.1m above the in-year respective budget of £10.5m. The works are progressing well on site. The handover date is summer of 2026. The increase in forecast compared to quarter 1 is due to an updated cashflow being received from the Quantity Surveyor and a higher level of confidence in the contractor being able to stick to this payment schedule. There is no overall increase in the cost of the project and the budget from 2026/27 will be utilised to cover the additional spend in the year.

12.6.6 New Homes Programme

The overall forecast of the New Homes Programme is £6.8m which is in line with the current budget. Work budgets for three sites, initially set for January 2026, are now planned to start in March 2026 (Fellows, Weymouth and Nye Bevan). Additionally, Blandford is currently on pause due to low viability post-RIBA 2 but may recommence later in the year, with improved viability due to overall programme viability, additional subsidy for abnormal costs, and update to the project assumption.

12.6.7 Woodberry Down Regeneration

The overall forecast of the Woodberry Down Regeneration is £15.8m, which is in line with budget. Spend in year, relates to the remaining 20 buybacks in the active phase, Phase 4, which is due to obtain vacant possession by autumn this year. All secure tenants for phase 4 have been decanted. The budget forecast also includes assumptions re buyback and decant numbers associated with Phase 5 and other phases with regards to out of phase Buybacks.

APPENDICES

Appendix 1 - Site Map for De Beauvoir Primary School

Appendix 2 - Site Map for Randal Cremer Primary School

Appendix 3 - Reprofiling Phase 2 and Capital Adjustments

Appendix 4 - Letter of Indemnity (**Exempt**)

Appendix 5 - Comparison of Delivery Options

Appendix 6 - Detailed Legal Commentary from Bevan & Brittan (**Exempt**)

Appendix 7 - Head of Insurance Service Comments.

EXEMPT

Appendix 4 - By virtue of Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972, this appendix is exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Appendix 6 - By virtue of Paragraph 5 Part 1 of Schedule 12A of the Local Government Act 1972, this appendix is exempt because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

BACKGROUND DOCUMENTS

None.