



City of Westminster

Agenda

Budget Scrutiny Task Group

Date / Time

18:30, Tuesday 17 January 2023

Location

Room 18:12, 18th Floor, 64 Victoria Street, London, SW1E 6QP

Contact

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Item 1	WELCOME	Cllr Paul Fisher
Item 2	DECLARATIONS OF INTEREST	Cllr Paul Fisher
Item 3	2023/2024 CAPITAL BUDGET	Gerald Almeroth
3.1	2023/2024 Capital Budget Overview (p 5)	Gerald Almeroth
3.2	Financial Summary (General Fund and Housing Revenue Account) (p 6-12)	Gerald Almeroth
3.3	Executive Leadership Team Summaries	
A	Adult Social Care, Public Health and Deputy Chief Executive (p 13-15)	Bernie Flaherty
B	Growth, Planning and Housing (HRA) (p 16-22)	Debbie Jackson
C	Growth, Planning and Housing (GF) (p 23-27)	Debbie Jackson
D	Growth, Planning and Housing (Westminster Builds) (p 28-31)	Debbie Jackson
E	Finance and Resources (p 32-35)	Gerald Almeroth
F	Environment and City Management (p 36-40)	Amy Jones and Phil Robson
G	Children's Services (p 41-44)	Sarah Newman
H	Innovation and Change (p 45-48)	Pedro Wrobel

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Budget Task Group

Capital Strategy

17 January 2023

Agenda

- Overview
- Financial Summary
 - General Fund (GF)
 - Housing Revenue Account (HRA)
- ELT Summaries:
 - Growth, Planning and Housing (GPH), General Fund
 - Growth, Planning and Housing, Housing Revenue Account (HRA)
 - Westminster Builds
 - Adults and Deputy Chief Executive
 - Finance and Resources
 - Environment and City Management (ECM)
 - Children's
 - Innovation & Change

Overview

- The capital strategy will deliver a range of benefits which aim to achieve the Fairer Westminster objectives, including:
 - New and replacement truly affordable homes
 - Improvements to existing housing stock
 - Continued maintenance of the Council's properties
 - Place based projects to improve and enhance the public realm
 - Active Travel schemes
- The presentation outlines:
 - General Fund (GF): detail on proposed expenditure and income budgets for 5 years from 2023/24 to 2027/28
 - Summarised future years GF expenditure and income budgets from 2028/29 to 2036/37
 - Housing Revenue Account (HRA): detail on key schemes in the proposed programme for 2023/24 and a summarised 5 year extract from the 30 year plan

Financial Summary – General Fund (1)

The table below summarises the proposed General Fund capital programme by Executive Directorate:

	Forecast 2022/23 £000	Five Year Plan					Future Years to 2036/37 £000	Total £000
		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000		
Expenditure								
Adults and Deputy Chief Executive	5,460	47,178	41,058	31,883	-	-	-	125,579
Children's Services	10,333	4,101	3,890	3,608	3,422	-	-	25,354
Environment & City Management	78,976	122,273	85,187	40,632	25,528	23,159	-	375,755
Finance & Resources	55,737	57,682	158,354	45,693	69,367	58,511	436,222	881,566
Growth, Planning & Housing	100,226	114,914	133,296	153,253	160,673	94,356	115,151	871,869
Innovation & Change	1,570	5,313	1,540	9,540	610	-	-	18,573
Westminster Builds	14,700	31,886	-	77,235	72,082	33,872	211,877	441,652
Total Expenditure	267,002	383,347	423,325	361,844	331,682	209,898	763,250	2,740,348
Funding								
External Funding	(42,170)	(119,929)	(94,893)	(76,551)	(52,490)	(19,978)	(36,680)	(442,691)
Capital Receipts	(58,137)	(28,589)	(17,883)	(21,086)	(116,392)	(273,689)	(404,332)	(920,108)
Total Funding	(100,307)	(148,518)	(112,776)	(97,637)	(168,882)	(293,667)	(441,012)	(1,362,799)
Borrowing Requirement	166,695	234,829	310,549	264,207	162,800	(83,769)	322,238	1,377,549

A summary of the programme approved in March 2022 is outlined below:

	Forecast 2021/22 £000	Five Year Plan					Future Years to 2035/36 £000	Total £000
		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000		
Expenditure	271,194	301,895	307,075	430,912	332,594	185,226	921,853	2,750,749
External Funding	(84,431)	(46,939)	(38,686)	(21,844)	(10,254)	(11,446)	(27,950)	(241,550)
Capital Receipts	(7,381)	(83,533)	(47,441)	(8,563)	(79,713)	(122,211)	(669,276)	(1,018,118)
Borrowing Requirement	179,382	171,423	220,948	400,505	242,627	51,569	224,627	1,491,081

Financial Summary – General Fund (2)

The table below summarises the revenue implications of the programme:

	Forecast	Five Year Plan					Future Years	Total £000
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	to 2036/37 £000	
Expenditure	267,002	383,347	423,325	361,844	331,682	209,898	840,250	2,817,348
External Funding	(42,170)	(119,929)	(94,893)	(76,551)	(52,490)	(19,978)	(38,290)	(444,301)
Capital Receipts	(58,137)	(28,589)	(17,883)	(21,086)	(116,392)	(273,689)	(481,906)	(997,682)
Borrowing Requirement	166,695	234,829	310,549	264,207	162,800	(83,769)	320,054	1,375,365
Revenue Impacts:								
Capital Financing Cost	20,627	25,956	33,758	42,660	53,456	60,033	544,607	781,096
Financed By:								
Commercial Income	(3,073)	(855)	(1,209)	(4,098)	(4,320)	(6,343)	(104,091)	(123,989)
Net Revenue Position	17,554	25,101	32,549	38,562	49,136	53,690	440,516	657,107
Sinking Fund Adjusted Balance	146	(4,401)	(8,849)	(11,862)	(19,433)	(20,911)	6,337	(58,972)
MTP Budget Assumptions	17,700	20,700	23,700	26,700	29,702	32,780	446,853	598,135

As part of the Medium Term Financial Plan (MTFP) the Council has set aside a c£3.0m a year budget increase for capital financing costs.

Key Funding Streams – AHF, CIL and S106

- The table below forecasts key funding streams that will finance the capital programme over its 15 span.

Income Stream	Proposed Budget March 2023			Budget Approved March 2022		
	General Fund £000	HRA £000	Total £000	General Fund £000	HRA £000	Total £000
Affordable Housing Fund	0	185,775	185,775	35,552	244,838	280,390
Community Infrastructure Levy	93,640	66,072	159,712	25,173	51,030	76,203
Section 106	53,262	0	53,262	8,291	0	8,291
Total	146,902	251,847	398,749	69,016	295,868	364,884

- Total funding from S106 and CIL in the GF capital programme represents only 6% of expenditure. This is a small fraction of overall expenditure even when fully utilised.
- Capital programme expenditure will flex in future years in line with fluctuations to these income streams



Key Funding Streams – Affordable Housing Fund

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	TOTAL
Housing Revenue Account (HRA)								
Luton Street								0
Carlton Dene	750,000	20,588,617	12,923,086					34,261,703
Queens Park Court	524,752	7,520,717						8,045,469
Lisson Arches	1,242,694							1,242,694
Brunel Contact Centre								0
Ebury Acquisitions	10,499,000							10,499,000
Ebury Phase 1	23,788,000			.				23,788,000
Ebury Phase 2				.				0
Churchill Gardens	1,926,001	6,286,549	2,928,722					11,141,272
Infills	2,040,279	9,999,818						12,040,097
Church St Acquisitions								0
Church St Site A	5,544,000	10,574,000	35,286,000				33,353,000	84,757,000
Woodchester Allotments								0
Bayswater								0
Bayswater Acquisitions								0
300 Harrow Road								0
HRA TOTAL	46,314,726	54,969,701	51,137,808	0	0	0	33,353,000	185,775,235
AHF Opening Balance (@ 1st April)	146,279,000	118,964,274	73,994,573	28,356,765	33,356,765	38,356,765	43,356,765	
Projected Receipt	19,000,000	10,000,000	5,500,000	5,000,000	5,000,000	5,000,000	0	49,500,000
AHF Closing Balance	118,964,274	73,994,573	28,356,765	33,356,765	38,356,765	43,356,765	10,003,765	

A review of open AHF deeds has taken place to determine the future cash flows to support the capital programme. The receipts projection and proposed allocations are outlined in the table above.

Of the £68m of open deeds, £19m was received in 2022/23 while activity review on the remaining deeds suggest that only £10m are expected to become receipts in 2023/24. A further £20.5m to 2027/28 is forecast. This is a significant fall in receipts since 2021/22.

AHF receipts have all been exclusively allocated to the HRA to support provision of social housing units.



Key Funding Streams – Projects to be funded by CIL

CIL	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Future Years £000	Total £000
Central Island Improvements For Elgin Avenue		452					452
Church St Good Growth Fund	1,341						1,341
Elizabeth Street / BPR Diagonals Crossing	100	475	475				1,050
Isolated Pitches - Independent Market Trader Bollards	480						480
King Solomon Academy Expansion	200						200
Lisson Grove Programme - Main Budget			9,950				9,950
Queen's Park TfL Cycle Hire Expansion		271	271				542
Residential Broadband Connections		200	200				400
School Travel Plan Engineering Programme		211					211
Sports and Leisure Sayers Croft Loxwood Hall		170					170
St Georges Warwick Drive.	82						82
St John's Wood High Street Public Realm Improvements	156	1,174					1,330
Wilberforce Multi Use Game Areas	20	133					153
Zero Emission Street Cleansing Vehicles	600	1,510					2,110
Oxford Street Programme		46,630	13,827				60,457
North Paddington Place Plan		5,000	5,000	4,712			14,712
CIL Used for the GF Capital Programme	2,979	56,226	29,723	4,712	0	0	93,640
HRA:							
Ebury Phase 1	7,961						7,961
Church Street Site A			7,052			11,489	18,541
Church Street Site B						17,442	17,442
Church Street Site C						7,297	7,297
PDHU	2,509	4,441	3,166	1,605	1,205	405	13,331
Other Smaller Projects	0	1,500					1,500
Total HRA CIL Usage	10,470	5,941	10,218	1,605	1,205	36,633	66,072
Total CIL (GF & HRA)	13,449	67,076	35,032	6,317	1,205	36,633	159,712

£159.7m CIL has been applied to the programme, compared to £76.2m last year (£25.2m GF, £51.0m HRA)

The main changes are:

General Fund

- £60.5m Oxford Street
- £14.7m North Paddington Place Plan

HRA

- £13.3m PDHU



Key Funding Streams – Projects to be funded by S106

S106	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Future Years £000	Total £000
Alfred Road Playground		42					42
Arundel Court		1,073					1,073
Community Hubs			1,000	9,000			10,000
Future Projects						30,000	30,000
Electric Vehicle Charging Infrastructure			2,495				2,495
Grosvenor Square Realm Scheme	100	1,400	1,000				2,500
Hall Place Greening		415					415
Oxford Street Programme		309					309
Paddington & Hyde Park Estate Low Traffic Neighbourhood	259						259
Paddington Arts extension		1,169					1,169
Physical Activity Infrastructure in Local Estates' project.		400					400
Queensway Public Realm Improvements	1,000	2,187					3,187
Sports & Leisure - Leisure Review Maintenance	50						50
Sports & Leisure- Condition Survey and Maintenance Projects		64					64
St John's Wood High Street Public Realm Improvements	44						44
Stimulating The Economy		193					193
Victoria Street Red Route			297				297
Wellington Hotel		350	350				700
Westminster Academy Skatepark and MUGAs		65					65
Total S106 Used to Finance GF Capital Programme	1,453	7,667	5,142	9,000	0	30,000	53,262

£53.3m S106 has been applied to the programme, compared to £8.3m last year.

- The main changes include:
- £10.0m Community Hubs
 - £2.5m Electrical Vehicle Charging Infrastructure
 - £1.2m Paddington Arts Extension

£30m has also been allocated to future years project. This is an estimate of future receipts, which will be allocated to the relevant project following receipt of the S106 and the known conditions.

Key Funding Streams – CIL and S106 Balances

Impact on CIL and S106 balances at the end of the 15 year capital programme:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Future Years £000
CIL Balances						
B/F	85,000	86,551	39,384	14,443	23,126	36,921
New Receipts (Forecast)	15,000	15,000	15,000	15,000	15,000	0
CIL used to fund projects (GF)	(2,979)	(56,226)	(29,723)	(4,712)	0	0
CIL used to fund projects (HRA)	(10,470)	(5,941)	(10,218)	(1,605)	(1,205)	(36,633)
Balance	86,551	39,384	14,443	23,126	36,921	288

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Future Years £000
S106 Balances						
B/F	45,000	48,547	45,880	45,738	41,738	46,738
New Receipts (forecast)	5,000	5,000	5,000	5,000	5,000	0
S106 Used to Fund Projects	(1,453)	(7,667)	(5,142)	(9,000)	0	(30,000)
Balance	48,547	45,880	45,738	41,738	46,738	16,738

Budget Task Group

Adults Social Care, Public Health and Deputy Chief Executive

Bernie Flaherty, Executive Director

2023/24 Capital Programme

Adults Social Care, Public Health and Deputy Chief Executive

	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast* £m
Oxford Street Programme	46.939	-	46.939	(46.939)	-	-	4.600
Framework-i Upgrade	0.239	(0.219)	0.020	-	-	0.020	-
Total	47.178	(0.219)	46.959	(46.939)	-	0.020	4.600

5 Year Capital Programme

Adults Social Care, Public Health and Deputy Chief Executive

	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Oxford Street Programme	119.880	-	119.880	(60.766)	-	59.114
Framework-i Upgrade	0.239	(0.219)	0.020	-	-	0.020
Total	120.119	(0.219)	119.900	(60.766)	-	59.134

- **Oxford Street Programme (£120m gross expenditure)** – Investment in Oxford Street and surrounding streets to promote a mixed economy and sustain its globally renowned status as a retail and leisure destination.

Budget Task Group

Housing Revenue Account (HRA)

Debbie Jackson, Executive Director

Key Themes in the HRA Business Plan

The HRA 30-year capital programme covers two main areas of expenditure:

- **Housing Planned Maintenance (£1,172m):** maintenance and improvements to the Council's current housing stock
- **Development & Regeneration (£762m):** development projects that enable the delivery of new affordable housing

HRA Business Plan – Capital Summary

The table below summarises the 30-year HRA capital programme:

	Five Year Plan					Future Years to 2052/53 £000	TOTAL £000
	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000		
Expenditure							
Planned Maintenance	69,078	64,783	63,354	60,101	47,232	867,838	1,172,386
Development & Regeneration	136,220	162,143	84,785	3,932	74,271	300,272	761,622
Total Expenditure	205,298	226,926	148,139	64,033	121,503	1,168,110	1,934,008
Funding							
Major Repairs Allowance	(21,360)	(22,816)	(24,124)	(14,437)	(35,730)	(703,558)	(822,025)
Leaseholder Contributions	(13,821)	(12,060)	(12,397)	(8,437)	(8,719)	(14,704)	(70,139)
Government Grants	(69,178)	(6,962)	(14,380)	(7,067)	(5,000)	(85,672)	(188,259)
Affordable Housing Fund	(34,381)	(58,802)	(12,923)	0	0	(33,353)	(139,460)
Capital Receipts	(60,200)	(81,373)	(49,206)	(32,887)	0	0	(223,666)
Community Infrastructure Levy (CIL)	(4,441)	(11,719)	(1,605)	(1,205)	(405)	(36,228)	(55,603)
Revenue Contribution to Capital	(1,235)	(4,222)	(2,623)	0	(2,168)	0	(10,248)
Total Funding	(204,616)	(197,955)	(117,258)	(64,033)	(52,022)	(873,514)	(1,509,399)
Borrowing Requirement	682	28,971	30,880	0	69,480	294,596	424,609

5 Year Capital Programme – 2023/24 to 2027/28

Housing Revenue Account (HRA)

The table below summarises the 5-year HRA capital programme across the two main expenditure categories:

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Planned Maintenance	304.55	(77.93)	226.62	(141.04)	-	85.58
Development & Regeneration	461.35	(80.09)	381.26	(113.16)	(223.67)	44.43
Total	765.90	(158.02)	607.88	(254.20)	(223.67)	130.01

Key Projects Over the Next 5 Years (1)

Housing Revenue Account (HRA)

The five-year capital programme for HRA from 2022/23 to 2026/27 has a gross budget of **£765.90m** (with a net borrowing requirement of **£130.01m**).

Some of the key projects over this period are highlighted below:

- **Planned Maintenance (Gross: £304.6m, Net: £226.6m, Borrowing: £85.6m)** – Maintain and improve stock to meet decent homes standards, improve fire/building safety measures, lower carbon emissions (climate action programme) and invest in urgent works for the PDHU.
- **Ebury Bridge and Acquisitions (Gross: £216.4m, Net: £19.7m, Borrowing: £19.7m)** – The wholesale regeneration of the Ebury Bridge Estate provides an opportunity for the Council to significantly increase the number of new council homes for social rent and bring about the long-term physical, economic and social sustainability of the neighbourhood.
- **Infills Programme (Gross: £19.8m, Net: £17.9, Borrowing: £7.9m)** – This programme is delivering new housing across a range of smaller sites and estate infills opportunities. Overall a total of 79 new affordable homes will be delivered across this programme.

Key Projects Over the Next 5 Years (2)

Housing Revenue Account (HRA)

- **Church Street Regeneration (Gross: £79.6m, Net: £58.9m, Borrowing: £6.0m)** – The council is committed to transforming the quality of life of residents in the Church Street area. The masterplan seeks to deliver real change for the community by creating great places, opportunities for a healthy and prosperous lifestyle, new homes and more jobs.
- **Carlton Dene (Gross: £53.3m, Net: £39.6m, Borrowing: £6.1m)** – this project comprises the redevelopment of an existing residential care home (alongside Westmead, part of the GF capital programme) and one block of 9 apartments (Peebles House) to provide new housing for older people, specialist housing for people with learning disabilities, affordable housing, and private housing for sale. The project will deliver 87 new affordable homes, 65 of which will be extra care housing.
- **Pimlico/Churchill Gardens (Gross: £28.6m, Net: £19.2m, Borrowing: £10.0m)** – the demolition and redevelopment of the Balmoral Public House site, Darwin House and associated garages to provide 52 new affordable homes in two phases including 34 community supportive housing units that will enable the decant of Darwin House residents and 18 new intermediate units.
- **Paddington Green (Gross: £11.1m, Net: £11.1m, Borrowing: £11.1m)** – the acquisition of 45 affordable homes from the second phase of the West End Gate development being delivered by Berkeley Homes.

2023/24 Capital Programme

Housing Revenue Account (HRA)

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast* £m
Planned Maintenance	69.08	(16.32)	52.76	(27.04)	-	25.72	14.13
Development & Regeneration	136.22	(66.68)	69.54	(34.38)	(60.20)	(25.04)	40.54
Total Capital Programme	305.30	(83.00)	122.30	(61.42)	(60.20)	0.68	54.67

*2022/23 Net Forecast assumes application of £78.47m Internal Funding and £35.36m Capital Receipts

Budget Task Group

Growth Planning & Housing

Debbie Jackson, Executive Director

Key Projects Over the Next 5 Years

Growth Planning & Housing

The five-year capital programme for GPH from 2023/24 to 2027/28 has a gross budget of £656.5m (£520.51m net of external funding). Some of the key projects over this period are highlighted below:

- **Lisson Grove Programme (£113.3m gross exp budget incl. acquisitions)** – Part of the Church Street Masterplan, current plans result in the programme delivering a new Health and Wellbeing hub alongside new homes. The existing office space at Lisson Grove will be provided for across the Council's office estate. The current office site will then be available for redevelopment and delivery of a substantial level of additional housing.
- **Church Street Acquisitions (£69.2m gross expenditure)** – Strategic acquisitions on Church Street site A and B identified in the Masterplan to facilitate the wider Church Street regeneration scheme.
- **Church Street Site A – Partnership Investment (£96.2m gross expenditure)** – General Fund investment into a joint venture structure with an investment / delivery partner to facilitate the delivery of regeneration at Church Street Site A.
- **300 Harrow Road (£15m gross expenditure)** – Delivery of 112 new affordable homes plus a nursery, a community hall and work space and public open and play space.

Key Projects Over the Next 5 Years

Growth Planning & Housing

- **291 Harrow Road (£57.3m gross expenditure)** – Following the acquisition of this site, current plans are for the delivery of 165 residential homes including 16 new, high quality specialist residential accommodation for the existing residents of 291 Harrow Road and Elmfield Way.
- **Westmead (£35.9m gross expenditure)** – Following the Truly Affordable Housing Review, this scheme will now deliver 100% affordable housing to include 34 social and 31 intermediate units.
- **Strand Aldwych (£11.7m gross expenditure)** – Major Public Realm and traffic management improvements to the gyratory to create a new public space for events and animation, an improved setting for the surrounding education and culture institutions as well as safe routes and space to dwell for pedestrians.
- **Temporary Accommodation (TA) Acquisitions (£139.9m gross expenditure)** – This is an enhanced purchase programme for both in and out of borough locations. A further £85m has been added to the overall programme this year to recognise and assist in tackling the significant pressures faced in TA.

5 Year Capital Programme - 2023/24 - 2027/28

Growth Planning & Housing

- The table below summarises the 5 year GPH GF capital programme over the main expenditure categories.

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Development	441.333	(37.117)	404.216	(10.365)	(303.733)	90.118
Economy	7.627	(0.385)	7.242	(0.193)	-	7.049
Housing GF	152.171	(87.750)	64.421	0	-	64.421
Placeshaping	55.361	(10.733)	44.628	(15.881)	-	28.747
Total	656.492	(135.985)	520.507	(26.439)	(303.733)	190.335

2023/24 Capital Programme

Growth Planning & Housing

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast* £m
Development	51.069	(8.029)	43.04	(0.415)	(11.845)	30.780	41.127
Economy	7.627	(0.385)	7.242	(0.193)	0	7.049	(0.096)
Housing GF	30.207	(2.75)	27.457	0	0	27.457	35.369
Placeshaping	26.011	(1.733)	24.278	(6.169)	0	18.109	12.073
Total	114.914	(12.897)	102.017	(6.777)	(11.845)	83.395	88.473

*2022/23 Net Forecast assumes application of £1.341m Internal Funding and £5.080m Capital Receipts

2023/24 Capital Programme

Growth Planning & Housing – Westminster Builds

The five year gross capital expenditure in the Westminster Builds (WB) business plan from 2023/24 to 2027/28 totals **£215.075m**. The key projects over this period are highlighted below:

Schemes to be delivered / Acquired by WB subject to approval by the Council

- **Ebury Phases 2 & 3 (£173.925m gross expenditure)** – Direct delivery of Phases 2 & 3 of the key Council regeneration scheme at Ebury Bridge delivering 554 new homes within that phase of development new open and play space, local retail and community facilities.
- **Acquisitions across a range of council development sites (£41.150m gross expenditure)** – purchase of completed homes for the purpose of letting at London Living Rent, intermediate or full market rent levels. In order to retain control of the affordable units on these sites the Council has decided that these units will be held by WB rather than an external housing association. Each scheme will be approved through the Council's existing governance processes for capital expenditure

2023/24 Capital Programme

Growth Planning & Housing – Westminster Builds

The table below sets out the budgeted expenditure for schemes included in the Westminster Builds Business Plan for 2023/24. The General Fund will finance this via a loan into the company.

Scheme	2023/24 Expenditure £m	2023/24 Income £m	2023/24 Net Budget £m	2022/23 Net Forecast £m
Ebury Phase 2 (d)	12.785	-	12.785	-
Luxborough (a)	1.735	-	2.982	-
300 Harrow Road (a)	9.800	-	9.800	-
Westmead (a)	7.566	-	7.566	-
Total	31.886	-	31.866	-

(d) – Development schemes with loans into Westminster Housing Developments Ltd (WHDL)

(a) – Acquisition loans for purchase of intermediate homes by Westminster Housing Investments Ltd (WHIL)

5 Year Capital Programme

Growth Planning & Housing – Westminster Builds 5 Year Business Plan

The table below sets out the schemes included in the Westminster Builds Business Plan and the budgeted expenditure in 2023/24 to 2027/28. The General Fund will finance this via a loan into the company. In addition the company will also receive ongoing rental income from retained properties.

Scheme	5 Year Expenditure £m	5 Year Income £m	5 Year Net Budget £m
Ebury Phase 2 (d)	138.723	-	138.722
Ebury Phase 3 (d)	35.202	-	35.202
Luxborough (a)	1.735	-	1.735
300 Harrow Road (a)	9.800	-	9.800
Westmead (a)	7.566	-	7.566
Pimlico/Balmoral (a)	4.427	-	4.427
Church Street Site (a)	8.001	-	8.001
Ebury Phase 2 (a)	9.622	-	9.622
Total	215.075	-	215.075

(a) – Acquisition loans for purchase of intermediate homes by Westminster Housing Investments Ltd (WHIL)

(d) – Development schemes with loans into Westminster Housing Developments Ltd (WHDL)

Capital Programme – Loan Financing

Growth Planning & Housing – Westminster Builds Council Investment & Repayment of Loan Financing

As previously referenced, the Council will provide loan financing into Westminster Builds to support planned activity within the Business Plan.

In 2023/24, the Council is budgeted to provide loan financing into Westminster Builds of **£31.866m**.

The table below shows the total budgeted loan finance to be provided to Westminster Builds from 2023/24 to 2027/28. A total of **£215.075m** will be provided of which **£129.580m** will be repaid during this period. In addition, loan interest to be paid to the general fund over the period is budgeted at **£8.188m**.

Loan Type	5 Year Gross Financing £m	5 Year Repayment £m	5 Year Net Budget £m
Development	173.925	(127.888)	46.037
Acquisitions	41.150	(1.692)	39.458
Total	215.075	(129.580)	85.495

Development loans are repaid over a shorter period, typically the length of the development. Acquisition loans run for a longer period of up to 50 years.

Budget Task Group

Finance & Resources

Gerald Almeroth, Executive Director

Key Projects Over the Next 5 Years

Finance & Resources

The five-year capital programme for Finance and Resources from 2022/23 to 2026/27 has a gross budget of £389.607m (£380.024m net; £377.869m borrowing requirement). Some of the key projects over this period are highlighted below:

- **Huguenot House – (£93.793m Gross, £93.793m Net; Huguenot House acquisitions - £13.650m. £107.443m borrowing requirement)** – Consideration of the options for the future best use of Huguenot House. This scheme is fully funded by £108m capital receipts, expected to be received 2028/29.
- **Property Acquisitions (£92.906m Gross, £92.906m Net; £92.906m borrowing requirement)** - investment fund to facilitate the acquisition of investment properties of strategic importance
- **Leisure Service Programme (£47.374m Gross, £45.624m Net, £45.390m borrowing requirement)** – Capital investment in assets of the council's physical activity and leisure services at Seymour Centres (£38.611m), as well as Porchester (£5.700m) and maintenance at several sites (£3.063m)
- **Property Maintenance Operational (£32.129m Gross, £32.129m Net)** - This includes the Landlord's Responsibilities budget (£25.000m Gross) – responsive, planned, preventative and emergency works for operational properties managed by the Council. Other items include minor works budget (£1.4m) and Libraries (£2.5m)
- **Carbon Management Programme (£19.422m Gross, £15.392m Net and borrowing requirement)** – the delivery of works across the Council's operational properties to maximise energy conservation and efficiencies. This also includes the Minimum Energy Efficiency Standard.
- **Investment in Commercial Properties (£11.240m Gross, £11.240m Net and borrowing requirement)** – reinvesting in the Investment Property Portfolio to maintain existing revenue streams, ensure buildings meet health and safety standards, maximise the potential to achieve rental growth and further enhance the reputation of the Council as a preferred landlord
- **Digital Transformation (£17.077m Gross, £17.077m Net and borrowing requirement)** – to support the delivery of Fairer Westminster through digital transformation of services and improved outcomes for residents. (This includes IT Product Development £12.4m, Online Customer Experience £3.487m and Smart Cities work of £1.190m)
- **Digital & Innovation Infrastructure (£11.407m Gross, £11.407m Net and borrowing requirement)** – investment to ensure the development and deployment of modern and effective underlying technology infrastructure. This includes the hardware and key line of business software refresh budgets
- **Capital Contingency (£34.169m Gross, £34.169m Net and borrowing requirement)** – contingency for the overall capital programme

5 Year Capital Programme - 2023/24 - 2027/28

Finance & Resources

- The gross capital expenditure forecast for 2023/24 - 2027/28 is £389.607m. An overview of the budget is shown below:

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Huguenot House	107.443	-	107.443	-	-	107.443
Property Investment Acquisitions	92.906	-	92.906	-	-	92.906
Leisure Service Programme	47.374	(1.750)	45.624	(0.234)	-	45.39
Property Maintenance Operational	32.129	-	32.129	-	-	32.129
Property - Carbon Management	19.442	(4.050)	15.392	-	-	15.392
Investment in vacant commercial properties	11.24	-	11.24	-	-	11.24
Property - Other	5.146	-	5.146	-	(1.521)	3.625
Accessibility Programme	3.628	-	3.628	-	-	3.628
Property – Grant Funded or part funded programmes	2.463	(2.453)	0.01	-	-	0.01
Property Managed Children's Services Projects	1.85	-	1.85	-	-	1.85
Coroner's Court Extension	1.683	(1.330)	0.353	-	-	0.353
Digital Transformation	17.077	-	17.077	-	-	17.077
Digital & Innovation - Infrastructure	11.407	-	11.407	-	-	11.407
Digital Westminster	1.65	-	1.65	(0.400)	-	1.25
Contingency	34.169	-	34.169	-	-	34.169
TOTAL	389.607	(9.583)	380.024	(0.634)	(1.521)	377.869

2023/24 Capital Programme

Finance & Resources

- The gross capital expenditure forecast for 2023/24 is £57.682m (net £50.949m) with a borrowing requirement of £48.994m. An overview of the 2023/24 capital budget is shown below:

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast £m
Leisure Service Programme	9.510	(0.750)	8.760	(0.234)		8.526	2.112
Property Maintenance Operational	7.879		7.879			7.879	3.034
Huguenot House	7.406		7.406			7.406	4.680
Property - Carbon Management	7.017	(3.800)	3.217			3.217	4.274
Improvements vacant Investment Properties	2.340		2.340			2.340	2.696
Property Managed Children's Services Projects	1.850		1.850			1.850	0.700
Coroner's Court Extension	1.683	(1.330)	0.353			0.353	0.494
Property - Other	1.227		1.227		(1.521)	(0.294)	1.189
Accessibility Programme	1.028		1.028			1.028	0.090
Property - Grant Funded or part funded programmes	0.863	(0.853)	0.010			0.010	0.070
Property Investment Acquisitions	0.000		0.000			0.000	27.094
Digital Transformation	6.977		6.977			6.977	2.978
Digital & Innovation - Infrastructure	4.338		4.338			4.338	0.842
Digital Westminster	0.800		0.800	(0.200)		0.600	0.153
Contingency	4.764		4.764			4.764	0.204
Grand Total	57.682	(6.733)	50.949	(0.434)	(1.521)	48.994	50.610

Budget Task Group

Environment and City Management

Key Projects Over the Next 5 Years

Environment and City Management

The five-year capital programme for ECM from 2023/24 to 2027/28 has a gross budget of £296.778m (£206.515m net). Some of the key projects over this period are highlighted below:

- **Planned Preventative Maintenance (PPM) Highways (£38.747m Gross, £38.747m Net, Borrowing £38.747m)** - Annual programme to ensure highways assets (e.g. roads, pavements) remain safe and efficient.
- **Waste Fleet Procurement (£23.261m Gross, £23.261m Net, Borrowing £23.261m)** – To procure the remaining electric vehicles to deliver waste and recycling collection service and have a suitable charging infrastructure.
- **Regent Street (£20.000m Gross, £4.000m Net, Borrowing £4.000m)** - Increased pedestrian pavement accessibility and safety for users of the City.
- **Planned Preventative Maintenance (PPM) Lighting (£16.666m Gross, £16.666m Net, Borrowing £16.666m)** – Annual programme to ensure highway street lighting assets remain structurally safe and lit efficiently to Westminster standards for our residents and visitors.
- **Security Schemes (£15.767m Gross, £5.676m Net, Borrowing £5.676m)** - Security measures across WCC to keep the public safe within our City.

Key Projects Over the Next 5 Years (2)

Environment and City Management

The five-year capital programme for ECM from 2023/24 to 2027/28 has a gross budget of £296.779m (£206.515m net). Some of the key projects over this period are highlighted below:

- **Disabled Facility Grants (DFG) (£6.916m Gross, £0.000m Net, Borrowing £0.000m)** - To ensure vulnerable residents remain safe and independent at home.
- **Electric Vehicle Charging Infrastructure (£6.465m Gross, £5.365m Net, Borrowing £2.870m)** – To provide a charge point network of an appropriate size and scope to complement demand from EVs operating in the City.
- **Central London Cycle Grid In Westminster (£6.433m Gross, £4.233m Net, Borrowing £4.233)** - Improvements and enhancement of cycling infrastructure across the borough, including Cycleway routes, Cycleway-Links, and Cycle Permeability interventions.
- **Public Conveniences Renovation Programme (£5.561m Gross, £5.561m Net, Borrowing £5.561m)** – Updating the Public Conveniences to public toilets fit for a modern city.
- **CCTV Enforcement School Street Programme (£2.726m Gross, £2.726m Net, Borrowing £2.726m)** – Improve air quality by limiting the pollution from motor vehicles, creating a safer and more pleasant environment and encouraging more active travel, such as walking, cycling and scootering.

5 Year Capital Programme - 2023/24 - 2027/28

Environment and City Management

- The gross capital expenditure forecast for 2023/24 to 2027/28 is £296.778m (net £206.515m).
- An overview of the ECM capital budget is shown below:

Service	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Highways	238.140	(83.281)	154.859	(12.481)	0.000	142.378
Parking	2.290	(0.066)	2.224	0.000	0.000	2.224
Public Protection & Licensing	9.791	(6.916)	2.875	0.000	0.000	2.875
Waste & Cleansing	46.557	(0.000)	46.557	(1.510)	0.000	45.047
Total	296.778	(90.263)	206.515	(13.991)	0.000	192.524

2023/24 Capital Programme

Environment and City Management

The gross capital expenditure forecast for 2023/24 is £122.272m (net £81.123m).

An overview of the 2023/24 capital budget is shown below:

Service	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast* £m
Highways	90.591	(30.251)	60.340	(7.593)	0.000	52.747	38.589
Parking	2.290	(0.066)	2.224	0.000	0.000	2.224	2.000
Public Protection & Licensing	4.004	(1.729)	2.275	0.000	0.000	2.275	0.320
Waste & Cleansing	25.387	0.000	25.387	(1.510)	0.000	23.877	19.659
Total Capital Programme	122.272	(32.046)	90.226	(9.103)	0.000	81.123	60.568

*2022/23 Net Forecast assumes application of £2.426m Internal Funding and £0m Capital Receipts

Budget Task Group

Children's Services

Sarah Newman, Executive Director

Key Projects Over the Next 5 Years

Children's Services

The 2023/24 – 2027/28 capital programme has a gross budget of £15.021m (£0.100m Net & £0.100m Borrowing Requirement). Key projects highlighted below -

- **SEN High Needs and Family Support** (£11.130m gross, £0.000m Net) - Adaptions and alterations of schools to improve High Needs and Family Support provision
- **School Development Capital** (£1.850m gross £0.000m Net) - Investment in maintained schools to comply with good asset management in accordance with DfE guidelines.
- **Safeguarding for Community Primary Schools** (£1.850m gross, £0.000m Net) - Alterations and improvements to community school buildings to enhance site security and safeguarding.
- **Non-School Projects** (£0.141m gross, £0.100m Net, £0.100m Borrowing Requirement) refer to the Social Care System Re-procurement which is due for completion in early 2023/24 and the Looked After Children Carer's extension Project.

5 Year Capital Programme - 2023/24 - 2027/28

Children's Services

- The gross capital expenditure forecast for 2023/24 - 2027/28 is £15.021m. An overview of the budget is shown below:

Grouping	Gross Expenditure £m	Net £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Non-School Projects	0.141	0.041	0.100	0	0	0.100
School Expansions	1.850	1.850	0	0	0	0
Schools Improvement	13.030	13.030	0	0	0	0
Total	15.021	14.921	0.100	0	0	0.100

School Expansions/Improvement projects are all funded via DfE Grants (Basic Needs/High Needs Capital).

2023/24 Capital Programme

Children's Services

The gross capital expenditure forecast is £4.101m. An overview of the budget is shown below:

Grouping	Gross Expenditure £m	Net £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast* £m
Non-School Projects	0.101	0.041	0.060	0	0	0.060	0.052
School Expansions	0.500	0.500	0	0	0	0	0
Schools Improvement	3.500	3.500	0	0	0	0	0
Total Capital Programme	4.101	4.041	0.060	0	0	0.060	0.052

*2022/23 Net Forecast assumes no application of Internal Funding and Capital Receipts (all funded through DfE Grants and council borrowing)

Budget Task Group

Innovation & Change

Pedro Wrobel, Executive Director

Key Projects Over the Next 5 Years

Innovation & Change

The five-year capital programme for Innovation & Change from 2023/24 to 2027/28 has a gross budget of £17.003m (£16.603m net). Some of the key projects over this period are highlighted below:

- **Community Hubs – (£10.000m Gross, £10.000m Net, £NIL borrowing required)** - To achieve the aspirations of the Manifesto and to deliver on the community needs. Engagement with communities will be used to assess needs and once completed solutions will be explored with communities considering our existing assets and where further investment might be required.
- **Works at Paddington Recreation Ground – (£1.620m Gross, £1.620m Net)** – Various works at Paddington Recreation Ground: Construction of new splash pad/puddle park (£0.600m); Pathway works improvement plan (£0.615m); pavilion changing rooms (£0.080m); Playground safety surfacing and additional accessible equipment (£0.175m), and Tennis Courts improvement works (£0.150m).
- **Play Street scheme (£0.900m Gross, £0.900m Net)** – Part of the Active Streets Programme. This will give permanent designation which will provide priority over traffic to children and families to play in streets at specified times. This will improve air quality and increase active travel. The Play Street Scheme is proposed at 6 locations (£0.150m per site) Ashmore Road, Kilravock Street, Marne Street, Peach Road, Chippenham Mews and Ranelagh Road

5 Year Capital Programme - 2023/24 - 2027/28

Innovation & Change

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m
Community Hubs	10.000	-	10.000	(10.000)	-	-
Active Westminster	2.741	(0.400)	2.341	(0.640)	-	1.761
Paddington Rec Works	1.750	-	1.750	-	-	1.750
Parks & Greening	1.035	-	1.035	-	-	1.035
Play Street	0.900	-	0.900	-	-	0.900
Cemetries	0.427	-	0.427	-	-	0.427
School	0.150	-	0.150	-	-	0.150
Grand Total	17.003	(0.400)	16.603	(10.640)	-	(5.963)

2023/24 Capital Programme

Innovation & Change

Grouping	Gross Expenditure £m	External Funding £m	Net Expenditure £m	Internal Funding £m	Capital Receipts £m	Borrowing Requirement £m	2022/23 Net Forecast £m
Active Westminster	1.781	(0.100)	1.681	(0.640)	-	1.041	0.715
Paddington Rec Works	1.750	-	1.750	-	-	1.750	--
Play Street	0.900	-	0.900	-	-	0.900	-
Parks & Greening	0.515	-	0.515	-	-	0.515	0.710
Cemeteries	0.217	-	0.217	-	-	0.217	0.125
School	0.150	-	0.150	-	-	0.150	-
Grand Total	5.313	(0.100)	5.213	(0.640)	-	4.573	1.550

*There is no Internal Funding or Capital Receipts applied to the 2022/23 Net Forecast