Report to the: **Overview and Scrutiny Management Committee – 12 December 2025**
Cabinet - 15 December 2025

Wards: All

2025/26 Capital Monitoring – Second Formal Update Report

Report of the Executive Director of Corporate Resources (s151 Officer)

This item is not exempt
Therefore exempt reasons are not applicable

Key Decision Reference – 0064/25

1. Purpose of the Report and Summary

1.1. To provide an updated Capital Programme for 2025/26 to 2028/29 and overview against budget and planned activity, and to seek authorisation for the amendments to the programme.

1.2. To approve a revised programme factoring latest profiling forecasts, incorporation of additional external grant funding and inclusion of any new schemes supported by business cases which are on a spend to save basis and/or revenue income protection.

1.3. The latest projections continue to total spend during 2025/26 of c£222M with the amended profiles within the report show an increase in forecast spend of c£4.5M. Although there will inevitably be a level of variation at outturn against current forecast, given the scale and nature of the projects, capital programme delivery of this magnitude reflects a very significant level of investment in the City.

2. Recommendations

It is recommended that:

2.1. Members approve the amendments to the Capital Programme as detailed at Section 8 and Appendix A, specifically:

- Additional funding of £0.025m as a spend to save investment to support the installation of new water meters at permanent Traveller Sites.

- Additional funding of £0.063m to be provided through the reallocation of programme contingencies to enable the contract award and delivery of the Car Parking Ticket Machines project.

2.2. Members note the monitoring information and approve a revised Capital Programme for 2025/26 to 2028/29, as detailed at Appendix A.

3. Reasons for Recommendations

3.1. The recommendations are to approve the changes to the Capital Programme following the announcement and/or confirmation of additional external grant allocations to support specific programmes.

3.2. Enables Members to consider the progress and delivery of the approved Capital Programme within the approved funding envelope.

4. Key Organisational Impacts

4.1. Impact on other Executive Committees (including Area Committees) and decision makers

There is no impact upon other committees.

4.2. Contribution to the delivery of the Community Plan, the Council Plan and/or Area Plans

The provision of reliable financial information supports the Council's decision making processes and therefore impacts on all Council priorities.

4.3. Impact on other key strategies/business plans

The provision of reliable financial information supports the Council's decision making processes and therefore impacts on all Council priorities.

4.4. Equalities Impact Information

There is no equality impacts identified as a result of this report.

5. Consultation

5.1. Following approval of the Capital Strategy by Council in February and the subsequent delivery of the Capital Programme for 2025/26 to 2028/29, the Council regularly seeks the views of residents and partners on the priorities for investment, service provision and improvement. This is completed through a variety of means to enable participation in the process.

5.2. Consultation is undertaken for specific programmes or individual schemes where appropriate. The level of consultation required depends on the scheme in question and can vary greatly, however, appropriate standards are followed in line with the Council's Corporate Consultation process.

5.3. As an example, Neighbourhoods and Housing are guided by both the Regulator of Social Housing's Transparency, Influence and Accountability Standard and the Council's corporate consultation process. The actual approach undertaken is tailored to the size, scale and scope of the project; remodelling a small block of flats would probably be a single-stage consultation with tenants directly affected whereas the regeneration of a wider estate would be a multi-stage consultation spanning months (if not years) covering those directly affected plus the nearby community stakeholders such as Local Residents, VCS groups, Health, Education, Police.

5.4. For projects that are grant funded, many grant giving bodies have broad requirements – sometimes very specific expectations – about how and who the Council consults with and these will be undertaken within the project scheme itself.

5.5. For other general maintenance schemes, consultation requirements are derived on a scheme basis.

6. Background

6.1. The Capital Programme for 2025/26 to 2028/29 was approved by Council in February 2025, based on the latest funding assumptions and the financial implications are appropriately reflected within the revenue budget projections contained within the reports relating to Medium Term Financial Plan (MTFP) and Housing Revenue Account (HRA).

6.2. As part of the 2025/26 Capital Programme monitoring cycle, a revised programme was approved by Cabinet in October 2025 (first formal report monitoring update), which reflected the reprofiling adjustments informed by project commitments in light of 2024/25 outturn and ongoing project activity in the first 6 months of 2025/26.

6.3. This report provides members with an updated Capital Programme for 2025/26 to 2028/29.

Capital Programme Monitoring

6.4. The report provides and updated Capital Programme following a detailed review by Programme Managers of scheme delivery profiles. The following appendix is included which incorporate the following:

- Appendix A – Revised Capital Programme 2025/26 to 2028/29 incorporating known changes since the last report to Cabinet on 27 October 2025.

6.5. Capital spend up to the end of October is shown in the table below:

Programme Theme	**Spend £m**
Roads and Infrastructure	7.625
Clean Environment	0.121
Crime Prevention	0.180
Carbon Reduction	24.836
Efficiency and VFM	8.524
Improving Local Areas	22.763
Programme Contingencies	-
Service Transformation	-
Sub Total	**64.049**
HRA	34.091
Total	**98.140**

6.6. The following table highlights the latest spend forecast following Programme Manager review and challenge:

Programme Theme	**Forecast Outturn £m**
General Fund	163.346
HRA	88.480
Sub Total	**251.826**
Overprogramming – GF	(30.000)
Total	**221.826**

Further details supporting the proposed amendments are included at Section 8 below.

6.7. A third Capital Monitoring Report will be presented to Members in February/March 2026.

7. Issues for Consideration

7.1. This is the second Capital review report of 2025/26 and provides Members with an updated Capital Programme. The following sections provide the overview in more detail.

8. Capital Programme Updates, Exception Reporting and Reprofiling

8.1. As per recommendation at 2.1, the following amendments to the programme are proposed:

Traveller Sites Water Metering

Currently, the Council is not able to read the individual water meters across all 70 pitches across the Council's permanent Traveller sites. As a result, the Council pays for the supply of water to the 4 sites/70 pitches at an annual estimated cost of £50K per annum.

A Feasibility Report on the current domestic water provision to the 4 travellers sites recommends that new meters are placed on each individual pitch amenity block supply. This will ensure that the location of the meter is accessible and that the meters are modern, fit for date reading as opposed to check meters and in good condition for a long lifespan without further costs within the next 5 to 10 years at least.

Savings will be achieved through the billing of residents by the Council for the supply/consumption of water on the individual pitches.

Car Parking Ticket Machines

The Capital Programme includes an estimated budget envelope of £170k to support the procurement exercise for the upgrade, and where necessary replacement, of all parking ticket machines to introduce card/contactless payments for pay and display within the city centre. Tenders have been returned which has resulted in the contract costs to be in the region of £233k. In order to progress to contract award and scheme delivery it is proposed that the additional funding is reallocated from programme contingencies.

8.2. This report is focussed on programme exceptions, following on from the returns submitted by individual Programme Managers, and are detailed in the table below. The HRA programme has been amended, as the level of certainty and predictability increases, to eliminate the over programming adjustment.

8.3. The tables below provide a summary of the programme themes and further details on the main variations in programme delivery and profiles.

Programme Theme	**Current Budget £m**	**Forecast Outturn £m**	**Variance £m**
Roads and Infrastructure	25.004	24.352	(0.652)
Clean Environment	2.297	2.316	0.019
Crime Prevention	0.750	0.750	-
Carbon Reduction	31.536	31.276	(0.260)
Efficiency and VFM	17.157	17.037	(0.120)
Improving Local Areas	78.953	81.820	2.867
Programme Contingencies	2.858	2.795	(0.063)

Service Transformation	3.000	3.000	-
Sub Total	**161.555**	**163.346**	**1.791**
HRA	95.702	88.480	(7.222)
Total	**257.257**	**251.826**	**(5.431)**

Programme Theme	**Current Budget £m**	**Forecast Outturn £m**	**Variance £m**
General Fund	161.555	163.346	1.791
Overprogramming	(30.000)	(30.000)	-
Sub Total	**131.555**	**133.346**	**1.791**
HRA	95.702	88.480	(7.222)
Overprogramming	(10.000)	-	10.000
Sub Total	**85.702**	**88.480**	**2.778**
Total	**217.257**	**221.826**	**4.569**

8.4. In terms of the profile of the Capital Programme, Programme Managers have reviewed schemes and have identified movements to the previous profile for a number of schemes. The key ones to draw out are as follows:

Programme	**Budget £'000**	**Forecast Outturn £'000**	**Variance £'000**
Bridges and Structures	7,270	6,540	(730)
Costello Playing Fields	3,000	4,123	1,123
Schools Basic Needs	2,122	2,923	801
HRA – Adaptations	8,296	7,296	(1,000)
HRA – High Rise Fire Protection	7,011	6,311	(700)
HRA – New Build and Empty Properties	29,462	27,389	(2,073)
HRA – Planned Capital Works	45,774	43,189	(2,585)
Priority Streets Programme	1,463	565	(898)

Bridges and Structures

The bridges programme incorporates a comprehensive medium term refurbishment programme across of a number of bridges on a priority basis. Works are underway across the network predominantly on Drypool Bridge. Other priority schemes have been reprofiled over the medium term and will be co-ordinated to minimise the effect on the network.

Costello Playing Fields

Due to the Planning delays and possible weather conditions constructing in winter, in order to minimise risk to cost/programme, works to the 3G pitch were pulled forward in the contract. The biggest bulk of the spend is now anticipated to be before end March 26. Weather /ground conditions permitting full scheme should be completed end of August 26.

Schools Basic Needs

Forecast reflects the latest programme of works across the Hull Schools to support statutory pupil sufficiency targets.

HRA - Adaptations

Strong progress has been made in the Adaptations Service, with a 231% increase in completed works forecast for Major and Fast track jobs. The number of the jobs set to be delivered by the end of this financial year is expected to reach 987 compared to 289 in 2024/25. This performance is also reflected in the budgetary performance, with an increase in expenditure set to raise from £1.4m in 2024/25 with KWL, to over £4m at the end of 2025/26.

An aspirational budget was set at £5m, which was the estimated value of required works, therefore, expected slippage of £1m is forecast. Whilst there is a budget underspend, the forecast waiting list of tenants awaiting a survey for their adaptations has substantially reduced. Granicus, a case management system which enables tenants to view the progress with their adaptation online, has now been implemented.

Adaptations Performance

	2022/23 full year	**2023/24** full year	**2024/25** full year	**2025/26** Apr to Oct	**2025/26** full year projection
Fast-track	108	102	178	457	783
Major	84	117	120	119	204
Minor	702	806	953	462	792
TOTAL	894	1,025	1,251	1,038	1,779

HRA – High Rise Fire Protection

Due to unforeseen resourcing delays there is slippage forecast for bin chute sprinklers and there is also an underspend of budget for electric cupboard encasement works. There are savings declared on high-rise/landscaping clear access scheme (Humberside Fire and Rescue Service) of £300k as this budget line has been duplicated elsewhere in the capital programme this year (footpaths budget).

HRA – New Build and Empty Properties

Dane Park - the contract sum has increased this year due to compensation events, cost associated with Yorkshire Water statutory works and having to source a new multi utility provider with the original one going into liquidation. Re-profile of budget forecast (£380k) has been provided for which will be require resolution at closedown.

Isledane - following approval, Caddick now on site to deliver x34 new homes for the total sum of c£9.216m (this includes Caddick and Consultant costs). Caddick entered contract in August 25, a sum of £5m was assumed to be spent this year prior to contracts being entered. Since entering the contract this has been revised to reflect a more accurate contract sum of £3.5m envisaged this year, there is therefore slippage forecast (£1.5m)

Future Sites - New build **Local Partnerships** (LP) scheme, which will deliver 42 new homes through MMC at Campbell Court, Oriel Grove and Ellerburn Avenue (former doctors' site), has experienced delays as a result of the following issues.

Planning Process – Significant delays experienced. Planning was submitted for each of the sites between April and June 2024. Consent was only granted for all three sites in July 2025 (it had been forecast for February 2025 when the original budget was proposed in December 2024).

The delays in achieving planning permission have significantly pushed the programme out and therefore require that budget is slipped into next year (forecast slippage now £1.1m, against a 25/26 budget £1.5m).

There is also slippage at Pickering (£88k) and Selworthy Close (£87k) with HCC currently reviewing procurement options for both sites.

Cabinet are due to receive a formal report on procurement routes this calendar year.

<u>HRA – Planned Capital Works</u>

Budget expenditure for 2025/26 is expected to surpass the value delivered in 2024/25. There are two material movements:

Despite rigorous recruitment campaigns there is an underspend forecast (£1m) for staffing costs, recharged to the capital programme.

Savings of £500k for GTS3 soil stack spray lining (secondary contractor to commence works, as agreed with KWL, who did not wish to deliver these works.

<u>Priority Streets Programme</u>

De Grey Street project now being developed and it's expected that a start on site will be March 2026 with limited spend by year end.

9. Revised Capital Programme 2025/26 to 2028/29

9.1. The Capital Programme approved at February 2025 Council has since been updated. A summary analysis of the changes to the 2025/26 to 2028/29 Capital Programme is shown in the following table and is reflected in Appendix A.

9.2. Further amendments to the October 2025 approved programme are also shown in the table below under amendments to resources. These relate to additional/confirmation of external grant funding for certain capital schemes, and the progress and refinement of previously approved schemes.

Confirmation/update of External Grant Funding allocations for 2025/26 – 2028/29:

	£M
• Pride in Place Grant	1.500
• Investment in Schools	0.143
• Mayoral Renewables Fund (Solar)	0.350
• UK Shared Prosperity Fund	0.857
• **TOTAL -**	**£2.850**

Capital Programme 2025/26 to 2028/29 programme amendments

	£M	**£M**
Current Approved Programme 2025/26 to 2028/29 - Council 27/02/25		**877.737**
Amendments to resources proposed:		
- Contractual and non-commitments from 2024/25 brought forward	46.608	
- Accelerated programme funding	(16.358)	
HRA variance already in 25/26 base budget	(2.785)	
Sub Total		**27.465**
Amendments to resources (Appendix A)		
- Realignment/confirmation of external grant funding	32.643	
		32.643
Cabinet Decisions		
- Centre for Learning (January 2025 Cabinet)	2.437	
- District Heating (May 2025 Cabinet)	15.955	
		18.392
Allocation of programme contingencies:	(6.745)	
Ennerdale Leisure Centre	3.558	
South Blockhouse	1.552	
Chapman Street Bridge	1.635	-
Capital Programme (Cabinet October 2025)		**956.237**
Amendments to resources		
- Confirmation of External Grant Funding	2.850	

- Spend to Save – Traveller Site Metering	0.025	
- Bring forward future years funding to support scheme delivery (Albion Square)	2.788	
- HRA Budget Realignment	0.041	
- GF Budget Realignment (CIB)	0.175	5.879
Allocation of Programme Contingencies	(0.063)	
Car Parking Ticket Machines	0.063	-
Proposed Revised Programme		**962.116**

10. Options and Risk Assessment

10.1. This report is to provide Members with an overview of the current progress of delivery of the approved Capital Programme, and to approve variations to the Programme based on additional and revised funding streams.

10.2. The need to set and deliver a capital programme over the next four years needs to be realistic and the overall programme will continue to be reviewed with further updates to come back to Members in due course. In light of the programme spending the associated borrowing costs need to be contained within the existing Medium Term Financial Plan.

11. Comments of the Monitoring Officer (Town Clerk)

11.1. The progress in the delivery of the capital programme is noted. The adjustments to the programme do not raise any issues of concern. [IA]

12. Comments of the S151 Officer (Executive Director of Corporate Resources)

12.1. The S151 officer is the author of this report.

13. Comments of the Assistant Director OD and HR and Compliance with the Equality Duty

13.1. The content of the report is noted. There are no staffing or equality matters arising for the council from this report. KH

14. Comments of Overview and Scrutiny

14.1. This report will be considered by the Overview and Scrutiny Management Committee at its meeting on the 12th December, 2025. Any comments or recommendations agreed by the Commission, will be submitted to Cabinet for consideration alongside the final report. Ref: Sc9055 [PT]

15. Comments of the Deputy Leader and Portfolio Holder for Finance and Transformation

15.1. The latest forecasts confirm that investment in the city this year will be at an unprecedented level above £200M. I look forward to confirming future year programmes as part of the 2026/27 Budget in February.

David Bell
Executive Director of Corporate Resources (s151 Officer)

Contact Officers: Mike Armstrong
Telephone No. : 613282

Officer Interests: None

Background Documents:

- 2025/26 Capital Monitoring Reports
- 2025/26 Capital Strategy Report
- 2024/25 Capital Outturn Report

Implications Matrix

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	n/a
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes – see comments from the HR City Manager. Other equality and diversity implications are considered within individual programmes where appropriate.
Any Health and Safety implications are included within the report	n/a
Any human rights implications are included within the report	There are no human rights implications in this report.
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	n/a

I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	n/a
I have included information about how this report contributes to the City Plan/ Area priorities within the report	n/a