

Appendix 6 : Capital Programme Quarter Two 2025/26 – Details of capital slippage

Capital slippage is a way of reprofiling capital budgets between financial years to match forecast timing of expenditure, whilst staying within the approved project budget.

The following details the slippage during Quarter Two. Details of slippage at Quarter 1 of £8.228m was shown in Appendix 6 of the respective budget monitoring report. These added together total the £20.095m total slippage for 2025/26 as at the end of Quarter Two.

APPENDIX 6

Directorate	Scheme	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Funding Source	Slippage Explanation
Regeneration	Towns Fund	(3.939)	3.939	-	-	Grant / Borrowing	The tender for the works at the Old Town Hall has now been awarded, however, there have been delays in the signing of the contract, this has resulted in £2.050m of funds being re-profiled into 2026/27. The Council is in discussions with an external partner with regard to investing in properties to alleviate homelessness. If the discussions are successful the Council will seek to contract with the partner. It is likely that the costs of this scheme will be incurred in 2026/27, as such £2.584m has been reprofiled. The contractor for the creation of Nunthorpe Community Centre is now on site, a works / cost plan is in place, £0.695m of future year funding has been brought into 2025/26 to fund the scheme.
Regeneration	Newham Hall - Housing Growth	-	(2.000)	2.000	-	Borrowing	This is a large scheme with various elements of the scheme works being undertaken in different phases. The costs and timing are reviewed regularly, with the overall scheme now anticipated to conclude in 2027/28, funds have been reprofiled to reflect this.
Regeneration	Acquisition of Town Centre Properties	-	(1.000)	1.000	-	Borrowing	There are no current plans to acquire properties, the funds have been re-allocated to reflect this.
Regeneration	Housing Growth	0.031	(0.484)	0.453	-	Borrowing	All of the active housing sites have the appropriate level of funds in place, the balance of funds has been reprofiled for use as and when further sites are identified.
Regeneration	Derisking Sites	0.976	(0.105)	(0.871)	-	Borrowing	The funding has been brought forward in order to settle legal costs and compensation payments totalling £0.871m in relation to a long standing compulsory purchase order settlement claim that was disputed by the owner of a car breaking and parts sale site at Middlehaven. Additionally, the Council was required to employ legal experts to defend it's position regarding costs that a house building contractor was attempting to claim which were in excess of the agreed contract. Collectively, whilst the cost of external legal / counsel support is expensive, the Council ultimately saved in excess of £6m when comparing the amounts paid to the respective parties against the amounts claimed.
Regeneration	Cemetery Provision	(0.006)	0.514	(0.508)	-	Borrowing	The Council's external consultants have assessed and revised the timescale of the works, resulting in the greater majority now completing in 2026/27.
Regeneration	Other Small Scale Slippage Across The Directorate	0.095	(0.095)	-	-	Borrowing	
	Regeneration Total	(2.843)	0.769	2.074	-		
Environment and Community Services	Purchase of Vehicles	0.908	(0.908)	-	-	Borrowing	The purchase of additional refuse vehicles in order to comply with the government's directive to introduce food waste and simpler recycling collection has resulted in the need to bring forward resource from future years.
Environment and Community Services	City Regional Sustainable Transport Scheme - Highways Maintenance	(0.500)	0.500	-	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Bridges and Structures	(1.000)	-	1.000	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Highways Infrastructure	-0.600	0.600	-	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Linthorpe Road Cycleway Removal	(1.169)	1.169	-	-	Grant	The contractor has not been able to commence work on the original estimated start date. This will result in the work not being completed until 2026/2027.
Environment and Community Services	City Regional Sustainable Transport Scheme - Incentive Funding	(0.400)	0.400	-	-	Grant	Some project specifications are now expected to be finalised later than planned. A proportion on the grant allocation will now not be spent until 2026/27.
Environment and Community Services	Other Small Scale Slippage Across The Directorate	(0.199)	0.199	-	-	Grant	
	Environment and Community Services Total	(2.960)	1.960	1.000	-		
Education and Partnerships	Basic Need Block Budget	(2.439)	2.439	-	-	Grant	The Education capital programme for 2025/26 has been agreed and costed. The remaining funds within the block budget have been re-profiled and are anticipated to be expended when the 2026/27 programme of works is agreed.
Education and Partnerships	Contribution to New School at Middlehaven	(0.455)	0.455	-	-	Grant / Contributions	The Council's contributions to the scheme are agreed based on milestones associated with the scheme. The Department of Education have experienced delays which have resulted in the Council now making one of the phased payments in 2026/27 rather than 2025/26.
Education and Partnerships	Unity City Academy Bulge Scheme	(1.178)	1.178	-	-	Grant	It is now deemed unlikely that the scheme will commence in 2025/26 as originally anticipated. The funds have been re-profiled accordingly.
Education and Partnerships	Macmillan extension SEND classrooms	(0.300)	0.300	-	-	Grant	Following changes within the school there are now internal limitations on what can be achieved within the physical space. This has meant that the whole project has needed to be reviewed as priorities have changed. As such, the previously assumed planned expenditure will not bow be incurred in 2025/26..
Education and Partnerships	Acklam Grange - Conversion of caretakers accommodation	(0.454)	0.454	-	-	Grant	The trust are advising that they now intend to submit planning permission for the conversion in February 2026 and are expecting a decision regarding their application for the 4G pitch in December 2025. The anticipated works within this financial year have been reassessed based on these dates with costs revised accordingly, resulting in the re-profiling of funds.
		(4.826)	4.826	-	-		
Legal and Governance Services	Other Small Scale Slippage Across The Directorate	0.139	(0.139)	-	-	Borrowing	
	Legal and Governance Services Total	0.139	(0.139)	-	-		
Finance	Other Small Scale Slippage Across The Directorate	(0.009)	0.009	-	-	Borrowing	
	Finance Total	(0.009)	0.009	-	-		

Transformation	Transformation / Subject Matter Expertise	(0.320)	0.297	0.023	-	Borrowing	There are a number of individual schemes where re-profiling into future years is required.
Transformation	Neighbourhood	(0.648)	0.424	0.224	-	Borrowing	A report is due to be presented to Executive regarding the proposals in respect of the Neighbourhood capital expenditure, upon agreement the physical works to the buildings can be undertaken, which are now expected to begin in 2026/27. The overall Neighbourhood allocation has reduced slightly as a consequence of job evaluation of the new roles.
Transformation	ICT	(0.400)	0.400	-	-	Borrowing	Whilst ICT solutions are currently being assessed, it is not envisaged that there will be significant purchases within the financial year.
	Transformation Total	(1.368)	1.121	0.247	-		
	TOTAL	(11.867)	8.546	3.321	-		