

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	THE GENERAL FUND & HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2016/17 TO 2020/21		
<b>DATE OF DECISION:</b>	15 FEBRUARY 2017		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE		
<b><u>CONTACT DETAILS</u></b>			
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#### **STATEMENT OF CONFIDENTIALITY**

Appendix 6 is confidential, the confidentiality of which is based on category 3 of paragraph 10.4 of Councils Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the authority's ability to achieve best consideration in financing the programme.

#### **BRIEF SUMMARY**

The purpose of this report is to inform Cabinet of any major changes in the overall General Fund and HRA Capital Programme for the period of 2016/17 to 2020/21, highlighting the changes in the programme since the last reported position to Cabinet in November 2016.

The net result of the changes since the previous report is that the current 5 year overall programme has increased by £73.39M, £53.72M relating to the General Fund and £19.67M for the HRA.

The programme details contained within this report will be reported to Council on 15<sup>th</sup> February 2017 for the relevant approvals.

#### **RECOMMENDATIONS:**

##### **It is recommended that Cabinet:**

	(i)	Note the revised General Fund Capital Programme, which totals £205.46M (as detailed in paragraph 4) and the associated use of resources.
	(ii)	Notes that a net £0.08M has been added to the General Fund overall programme, with approval to spend in 2016/17, under delegated powers. These additions are detailed in paragraph 6 and Appendix 2.
	(iii)	Notes the addition of a total of £54.98M to the General Fund programme and the request for approval to spend £54.98M as detailed in paragraphs 10 - 28, Appendices 1, 2 and 3. Note that the approval to spend is requested subject to any variations from the spend detailed

		in the report being reviewed and approved by the Council Capital Board and not exceeding the amounts identified within this programme.
	(iv)	Notes that £1.34M has been removed from the overall General Fund programme, as referred to in paragraph 6 and Appendix 2.
	(v)	Notes that £0.10M has been re-phased from 2017/18 to 2016/17, £0.06M within the Transport portfolio and £0.04M within the City Services portfolio, as detailed in paragraph 30 and Appendix 3.
	(vi)	Notes that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received.
	(vii)	Notes the changes to the General Fund programme, as summarised in Appendix 2 and described in detail in Appendix 3.
	(viii)	Notes the slippage and re-phasing as set out in paragraph 31 and as described in detail in Appendix 3.
	(ix)	Notes that the General Fund forecast position at Quarter 3 for 2016/17 is £151.5M, resulting in a potential overspend of £2.00M, as detailed in paragraph 33, Appendix 5 and confidential Appendix 6.
	(x)	Notes the position on the Housing Revenue Account Capital Programme as detailed in paragraphs 50 to 53 and in appendices 7 and 8.
	(xi)	Note that a review of the Council's capital strategy has been undertaken as detailed in Appendix 9.
	(xii)	Notes that the Capital Strategy and Capital Programme update will be reported to Council on 15 <sup>th</sup> February 2017 for approval.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Capital Programme is now reviewed on a quarterly basis in accordance with the Council's Capital Strategy. The forecast position is reported to the Council Capital Board with any required programme update reported to Cabinet and Council for approval. This is required to enable schemes in the programme to proceed and to approve additions and changes to the programme.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The update of the Capital Programme is undertaken within the resource constraints imposed on it. No new schemes can be added unless specific additional resources are identified. Alternative options for new capital spending are considered as part of the budget setting process in the light of the funding available and the overall financial position.

### **DETAIL (Including consultation carried out)**

3. The General Fund & HRA Capital Programme update summarises additions to the capital programme since the last approved programme set in the Quarter 2 monitoring report in November 2016. Each addition to the capital programme has been subject to the relevant consultation process which now reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance support for each portfolio.

### **THE FORWARD CAPITAL PROGRAMME**

4.	<p>Table 1 below shows a comparison of the latest approved capital expenditure for the period 2016/17 to 2020/21 compared to the previously reported programme.</p> <p><u>Table 1 – General Fund Programme Comparison</u></p> <table border="1" data-bbox="240 338 1450 600"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>Total</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Latest Programme</td> <td>94.83</td> <td>78.11</td> <td>23.96</td> <td>5.64</td> <td>2.92</td> <td>205.46</td> </tr> <tr> <td>Previous Programme</td> <td>98.83</td> <td>50.77</td> <td>1.47</td> <td>0.37</td> <td>0.30</td> <td>151.74</td> </tr> <tr> <td><b>Variance</b></td> <td><b>(4.00)</b></td> <td><b>27.34</b></td> <td><b>22.49</b></td> <td><b>5.27</b></td> <td><b>2.62</b></td> <td><b>53.72</b></td> </tr> </tbody> </table>		2016/17	2017/18	2018/19	2019/20	2020/21	Total		£M	£M	£M	£M	£M	£M	Latest Programme	94.83	78.11	23.96	5.64	2.92	205.46	Previous Programme	98.83	50.77	1.47	0.37	0.30	151.74	<b>Variance</b>	<b>(4.00)</b>	<b>27.34</b>	<b>22.49</b>	<b>5.27</b>	<b>2.62</b>	<b>53.72</b>													
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5.	<p>The above table shows that the General Fund Capital Programme has increased by £53.72M. Appendix 1 provides details of each portfolios latest programme and the financing of that programme.</p>																																																
6.	<p>There is an overall increase in the programme of £53.72M. This includes a decrease of £1.34M, which is offset by an increase of £0.08M relating to additions to the programme approved under delegated powers, and the addition of £54.98M which is seeking approval within this report. These changes are summarised in Appendix 2 and detailed in Appendix 3.</p>																																																
<b>CHANGES TO THE OVERALL PROGRAMME</b>																																																	
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8.	<p>Appendix 3 details the changes by individual portfolio programmes. This includes new schemes and changes to existing schemes where approval has been previously given by Council, Cabinet or made under delegated authority to amend the programme.</p>																																																
9.	<p>Funding for the Councils capital programme is a scarce resource therefore additions need to be considered in terms of the priorities and desired outcomes of the Council.</p>																																																

10.	The proposed programme includes the following additions, totalling £54.98M.
	<u>City Services</u>
11.	The Medium Term Financial Strategy proposes a move to Alternate Weekly Collections (AWC) for Waste Services. In order to achieve this there will be implementation costs and ongoing cost of vehicle replacement, as detailed in Appendix 3. Approval is sought for the addition £2.91M to the City Services Programme and for approval to spend this sum, to be phased £0.26M in 2017/18 and £2.65M in 2019/20. This project will be funded by DRF (£0.26M) and Council Resources (£2.65M).
	<u>Communities, Culture &amp; Leisure</u>
12.	Working alongside our partners, proposals for improvements to the Outdoor Sports Centre are currently being produced. To aid this development approval is sought for the addition of £0.49M to the Communities, Culture & Leisure programme, in 2017/18. Approval to spend £0.49M is requested, subject to final plans being reviewed and agreed by Council Capital Board. This will be fully funded by Section 106 contributions, as detailed in Appendix 3.
13.	The creation of the SeaCity 'Treasure Trove' will allow the pavilion to be used to exhibit a larger number of SCC's collections. To transform the space, approval is sought for the addition of £0.70M to the Communities, Culture & Leisure programme, in 2018/19, to be funded by council resources. Approval to spend £0.70M is requested, subject to final plans being reviewed and agreed by Council Capital Board.
14.	A joint bid to the Heritage Lottery Fund is currently being undertaken with a number of other local authorities, in the aim of securing funding to make improvements to the Art Gallery. As SCC's contribution, approval is sought to add £0.50M to the Communities, Culture & Leisure programme. The project will be phased £0.10M in 2017/18 and £0.40M in 2018/19 and will be funded by direct revenue financing. Approval to spend £0.50M is requested, subject to final plans being reviewed and agreed by Council Capital Board.
	<u>Education &amp; Children's Social Care</u>
15.	In order to manage pupil places at secondary level, in the future, an improvement and expansion programme may be required across the city. A sum of £10M has been set aside initially for which detailed proposals are currently being prepared. Valentine Primary School has been identified by the Education Funding Agency (EFA) as a priority under the second phase of the Prioritised Schools Building Programme (PSBP) and will undertaking a rebuild of the school. Approval is sought for the addition of £10.00M to the Educations & Children's Social Care programme, phased £0.50M in 2017/18 and £9.50M in 2018/19, to allow completion of the above projects. Approval to spend £10.00M is requested, subject to final plans being reviewed and agreed by Council Capital Board. As detailed in Appendix 3.
16.	St Deny's Primary has also be identified by the EFA for PSBP funding. For the project to proceed the Council must undertake feasibility works to secure additional EFA funding. Therefore approval is sought for the addition of £0.12M to the Educations & Children's Social Care programme, in 2017/18 and approval to spend. The project will be fully funded by Government grant, as detailed in Appendix 3.

17.	Plans to develop the Civil service Sports Ground to increase usage have been devised and to achieve this new toilet and changing facilities are required. Approval is therefore sought to add £0.07M to the Educations & Children's Social Care programme, along with approval to spend in 2017/18. This will be fully funded by Government grant, as detailed in Appendix 3.
	<u>Health &amp; Adult Social Care</u>
18.	A new project is required to allow the Council to purchase and provide telecare equipment, this will facilitate a General Fund saving. Approval is sought for £2.00M to be added to the Health and Adults Social Care Programme and approval to spend, £0.50M per year for 4 years to be fully funded from council resources. As detailed in Appendix 3.
	<u>Housing &amp; Sustainability</u>
19.	In 2017/18 £1.70M will be received via the Better Care Fund to fund Disabled Facilities Grant. Approval is sought for the addition of £1.70M to the Housing & Sustainability Programme and for approval to spend this sum, phased £1.00M in 2017/18 and £0.70M in 2018/19, to be fully funded from the Government grant. As detailed in Appendix 3.
20.	In order to support this increased scheme there will be additional supports costs totalling £0.21M. Approval is sought for the addition £0.21M to the Housing & Sustainability Programme in 2017/18 and for approval to spend this sum, to be funded by Right-to-Buy receipts. As detailed in Appendix 3.
	<u>Leaders</u>
21.	One of the Council's Executive Commitments is to establish a new Public Sector Community Hub incorporating a Leisure Facility, Library and a Public Service Access point. To develop plans to the construction phase approval is sought for the addition of £0.30M to the Leaders Programme and approval to spend, to be funded by council resources in 2017/18. As detailed in Appendix 3.
22.	Another Executive Commitment is to develop a Council owned power company for local residents. In order to progress the company set up approval is sought for the addition of £0.05M to the Leaders programme in 2017/18 and approval to spend, to be funded from council resources. As detailed in Appendix 3.
23.	To allow investment in the Hampshire Community Bank approval is sought to add £1.00M to the Leaders programme, along with approval to spend in 2017/18. This will be funded by council resources as detailed in Appendix 3. This Bank facilitates loans to small businesses however at present it does not have a banking licence therefore for any investment made the expectation is monies will be placed in an escrow account until this licence is granted.
24.	The creation of a Business Incubator will provide office space to small businesses, groups and individuals. To lease and renovate the space, £1.25M is required. This project will be funded by council resources, approval is sought for a virement from the Property Investment Fund in 2017/18 and approval to spend. This has no overall effect on the programme value. As detailed in Appendix 3.
	<u>Transformation</u>
25.	In order to complete the current digital transformation project, approval is sought for the addition of £3.00M to the Transformation programme in 2017/18, to be funded from council resources. Approval to spend £3.00M is requested, subject to

	final plans being reviewed and agreed by Council Capital Board. As detailed in Appendix 3.
	<u>Transport</u>
26.	The budget consultation and outcome based planning and budgeting has identified roads and pavements as a key priority, therefore additional investment is being in this area with the addition of nearly an extra £6M (including £2.5M towards the Millbrook Roundabout) to the Council's highways maintenance programme. This includes works to carriageways, bridges and structures, footways and cycleways and drainage infrastructure. In order to deliver this programme of works approval is sought for the addition of £21.58M to the Transport Programme, phased £13.01M in 2017/18 and £8.57M in 2018/19. Approval to spend £21.58M is also sought, to be funded by Government Grant (£8.60M), capital contributions (£2.50M), Direct Revenue Financing (£4.50M including £2M Collection Fund surplus) and Council Resources (£5.98M) as detailed in Appendix 3.
27.	To allow for public transport works and delivery of transport infrastructure improvements, approval is sought to add £8.48M to the Transport programme and approval to spend, fully funded by LTP government grants. The works will be phased in line with the grant, £2.12M per year between 2017/18 and 2020/21. As detailed in Appendix 3.
28.	A need has been identified to install shutters at Grosvenor Multi-Storey Car Park (MSCP). Approval is sought for the addition of £0.05M to the Transport Programme in 2017/18, and approval to spend, to be funded by council resources. As detailed in Appendix 3.
29.	To address concerns raised within individual wards approval is sought to add £0.50M to the Transport programme in 2017/18, with approval to spend, to allow minor works across a number of projects. This will be funded by capital contributions (£0.25M) and Direct Revenue Financing (£0.25M including an element from the Collection fund Surplus).
	<b>SLIPPAGE AND REPHASING</b>
30.	The programme identifies £0.10M of rephasing from 2017/18 into 2016/17, £0.06M within the Transport programme and £0.04M in the City Services programme. This was approved under delegated powers and is detailed in Appendix 3.
31.	The proposed programme identifies £4.09M of net slippage and rephasing from 2016/17 into future years as detailed in Table 3 below. Major items of slippage are detailed in Appendix 4, with further explanations detailed in Appendix 3.
	<u>Table 3 – Slippage and Rephasing by Portfolio</u>
	<b>Slippage/ Rephasing £M</b>
	City Services (0.37)
	Communities, Culture & Leisure (0.04)

	Education & Children's Social Care	(1.00)	
	Finance	(0.53)	
	Health & Adult Social Care	0.00	
	Housing & Sustainability	(0.67)	
	Leaders	(0.50)	
	Transformation	0.00	
	Transport	(0.98)	
	<b>Total GF Slippage/Rephasing</b>	<b>(4.09)</b>	
<b>UNDER AND OVERSPENDS</b>			
32.	The capital programme is now being monitored on a monthly basis. Identified under and overspends are reported to the Council Capital Board. Programme changes for these will not be made until the outturn position is known and will be reported as part of the outturn report in June 2017, with approval to update the programme for these being sought at that time.		
33.	After accounting for slippage, the programme is currently forecast to be overspent by £2.00M in 2016/17. The reasons for this are detailed in Appendix 3 and summarised in Appendix 5.		
34.	Table 4 below shows the forecast underspend by portfolio which have an overall variance:		
	<u>Table 4 – Overall Programme Forecast Variance</u>		
		<b>Latest Programme</b>	<b>Forecast Programme</b>
		<b>£M</b>	<b>£M</b>
		<b>£M</b>	<b>£M</b>
	City Services	5.68	5.67
	Housing & Sustainability	7.47	7.06
	Leaders	84.87	87.18
	Transport	51.48	51.59
	<b>Total Forecast (Under)/Overspend</b>	<b>149.50</b>	<b>151.50</b>
			<b>2.00</b>
<b>CAPITAL RESOURCES</b>			
35.	The resources which can be used to fund the capital programme are as follows: <ul style="list-style-type: none"> <li>• Council Resources - Borrowing</li> <li>• Council Resources - Capital Receipts from the sale of HRA assets</li> <li>• Council Resources - Capital Receipts from the sale of General Fund assets</li> <li>• Contributions from third parties</li> <li>• Central Government Grants and from other bodies</li> <li>• Direct Revenue Financing (DRF)</li> </ul>		
36.	Capital Receipts from the sale of Right to Buy (RTB) properties are passed to the General Fund capital programme to support the Private Sector Housing schemes		

within the Housing & Sustainability Portfolio.

**CHANGES IN AVAILABLE RESOURCES**

37. The additional spending within the Capital programme must be met from additional sources of finance. Table 5 shows the resource changes that have taken place.

Table 5 – Changes in Resource Requirements

	<b>£M</b>
Council Resources	28.42
Contributions	2.30
Capital Grants	18.98
Direct Revenue Financing (DRF)	4.02
<b>Total Change in Available Resources</b>	<b>53.72</b>

38. It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future Government Grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However in 2016/17 these grants have been passported to these areas.

39. It can be seen that a significant proportion of the increase in resources relates to Council Resources, which will predominately be borrowing.

40. Table 6 shows the current level of available resources.

Table 6 – Available Capital Funding

<b>Resource</b>	<b>Balance B/Fwd £M</b>	<b>Received to Date 2016/17 £M</b>	<b>Allocated To Current Programme £M</b>	<b>Available Funding £M</b>	<b>Anticipated Receipts 2016/17 £M</b>
Capital Receipts	(2.67)	(8.98)	13.38	1.73	(4.94)
CIL	(3.03)	(2.81)	1.74	(4.10)	(0.51)
S106	(9.78)	(0.87)	6.31	(4.34)	(0.13)
Misc Grants	(1.70)	0.00	1.70	0.00	0.00
	<b>(17.18)</b>	<b>(12.66)</b>	<b>23.13</b>	<b>(6.71)</b>	<b>(5.58)</b>

41. The table shows that the largest resource currently available is capital receipts. A review is underway of all S106 and Community Infrastructure Levy (CIL) monies to ensure that programmes of work are matched to the appropriate funding and to potentially identify areas where business cases could be commissioned for new projects.

42. Capital receipts have been allocated to the programme based on the anticipated level of receipts in future years as shown in Table 9.

**OVERALL CAPITAL PROGRAMME**

43. Table 7 and 8 show capital expenditure by portfolio and the use of resources to finance the General Fund Capital Programme up to and including 2020/21.

Table 7 – Capital Expenditure by Programme



	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
City Services	1.37	1.66	0.00	2.65	0.00	<b>5.68</b>
Communities, Culture & Leisure	1.08	0.71	1.10	0.00	0.00	<b>2.89</b>
Education & Children's Social Care	12.13	19.06	10.67	0.00	0.00	<b>41.86</b>
Finance	0.36	0.91	0.03	0.27	0.30	<b>1.87</b>
Health & Adult Social Care	0.63	0.50	0.50	0.50	0.50	<b>2.63</b>
Housing & Sustainability	3.77	3.00	0.70	0.00	0.00	<b>7.47</b>
Leaders	56.05	28.72	0.10	0.00	0.00	<b>84.87</b>
Transformation	3.71	3.00	0.00	0.00	0.00	<b>6.71</b>
Transport	15.73	20.54	10.86	2.22	2.12	<b>51.48</b>
<b>Total General Fund Programme</b>	<b>94.83</b>	<b>78.11</b>	<b>23.96</b>	<b>5.64</b>	<b>2.92</b>	<b>205.46</b>
<b>Table 8 – Use of Resources</b>						
	2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M
Council Resources	62.48	46.68	14.92	3.25	0.50	<b>127.84</b>
Contributions	5.80	4.31	0.83	0.00	0.00	<b>10.94</b>
Capital Grants	25.67	22.55	6.78	2.12	2.12	<b>59.24</b>
DRF from Portfolios	0.88	4.56	1.43	0.27	0.30	<b>7.44</b>
<b>Total Financing</b>	<b>94.83</b>	<b>78.11</b>	<b>23.96</b>	<b>5.64</b>	<b>2.92</b>	<b>205.46</b>
44.	It can be seen from Table 7 that the significant programme spend relates to Leaders Portfolio (Property Investment Fund); Education and Children's Social Care Portfolio (Schools Programme) and Transport Portfolio (Roads Programme). It should be noted that capital grant assumptions have now been built in where relevant.					
45.	Table 8 demonstrates that after allowing for Capital Grants, which primarily relate to the Basic Needs grants for schools, a significant amount of funding is provided by Council Resources. In this financial year this will be mainly through borrowing however £40M of this sum relates to the Property Investment Fund, which has parameters requiring income to exceed the costs of borrowing.					
	<b>CAPITAL RECEIPTS</b>					
46.	Capital receipts funding assumptions have been previously based on an estimated value of the receipt, in the year of disposal. The estimate was further risk adjusted depending on where in the process the disposal had progressed i.e. 'On Market', 'Contract Under Negotiation' etc.					
47.	Capital receipts are now monitored and reported based on the agreed sale price and expected year of receipt in order to achieve certainty around the level of useable receipts within each financial year. Further, it has been agreed by the Council Capital Board that receipts for properties that are on the disposal list but					

	not yet on the market will not be included in capital receipt assumptions.																												
48.	<p>Table 9 shows the previous and current General Fund capital receipt assumptions based on either original sale price or where known the actual sale price in the year that the receipt is expected rather than the year of disposal. It should be noted that both the previous and latest forecast positions have been adjusted to remove receipts for properties not yet on the market.</p> <p><u>Table 9 – Capital Receipt Assumptions</u></p> <table border="1"> <thead> <tr> <th></th> <th>2016/17 £M</th> <th>2017/18 £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Latest Forecast</td> <td>13.92</td> <td>3.53</td> <td>0.78</td> <td>0.00</td> <td>0.00</td> <td>18.23</td> </tr> <tr> <td>Previous Forecast</td> <td>15.80</td> <td>1.66</td> <td>0.78</td> <td>0.00</td> <td>0.00</td> <td>18.24</td> </tr> <tr> <td><b>Change</b></td> <td><b>1.88</b></td> <td><b>(1.87)</b></td> <td><b>0.00</b></td> <td><b>0.00</b></td> <td><b>0.00</b></td> <td><b>0.01</b></td> </tr> </tbody> </table>		2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M	Latest Forecast	13.92	3.53	0.78	0.00	0.00	18.23	Previous Forecast	15.80	1.66	0.78	0.00	0.00	18.24	<b>Change</b>	<b>1.88</b>	<b>(1.87)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>
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49.	It can be seen that there is likely to be an overall decrease in the level of capital receipts of £0.01M. It should be noted that if alternative options to disposal are considered this will affect the overall level of receipts. Further work is being undertaken on capital receipts to ascertain disposal methods and timing to ensure the Council receives best value.																												
	<b>HRA PROGRAMME</b>																												
50.	<p>Table 10 below shows a comparison of the latest approved Housing Revenue Account (HRA) capital programme compared to the previously reported position.</p> <p><u>Table 10- HRA Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2016/17 £M</th> <th>2017/18 £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Latest Programme</td> <td>58.44</td> <td>59.01</td> <td>42.26</td> <td>32.85</td> <td>41.05</td> <td>233.61</td> </tr> <tr> <td>Previous Programme</td> <td>81.76</td> <td>38.84</td> <td>25.43</td> <td>27.13</td> <td>40.78</td> <td>213.94</td> </tr> <tr> <td><b>Variance</b></td> <td><b>(23.32)</b></td> <td><b>20.17</b></td> <td><b>16.83</b></td> <td><b>5.72</b></td> <td><b>0.27</b></td> <td><b>19.67</b></td> </tr> </tbody> </table>		2016/17 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	Total £M	Latest Programme	58.44	59.01	42.26	32.85	41.05	233.61	Previous Programme	81.76	38.84	25.43	27.13	40.78	213.94	<b>Variance</b>	<b>(23.32)</b>	<b>20.17</b>	<b>16.83</b>	<b>5.72</b>	<b>0.27</b>	<b>19.67</b>
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51.	The latest HRA capital programme is detailed in Appendix 7.																												
52.	Additionally, against the 2016/17 programme of £58.44M the programme is forecast to spend £57.86M a favourable variance of £0.58M. Explanations in the overall change in the programme and the forecast position are detailed in Appendix 8.																												

53. The programme will be funded as shown in Table 11 below.

Table 11 – HRA Use of Resources

	2016/17£M	2017/18£M	2018/19£M	2019/20 £M	2020/21 £M	Total £M
Council Resources	28.43	30.38	11.55	11.82	11.41	<b>93.58</b>
Contributions	0.00	0.00	1.30	0.00	0.00	<b>1.30</b>
Capital Grants	1.35	0.00	0.00	0.00	0.00	<b>1.35</b>
DRF from Portfolios	8.77	9.37	9.96	1.25	9.44	<b>38.79</b>
MRA	19.89	19.26	19.45	19.78	20.20	<b>98.58</b>
<b>Total Financing</b>	<b>58.44</b>	<b>59.01</b>	<b>42.26</b>	<b>32.85</b>	<b>41.05</b>	<b>233.61</b>

**CAPITAL STRATEGY**

54. The Council needs to have a fit for purpose Capital Strategy to ensure that all the priorities within the Council Strategy are accounted for in the allocation of resources to the capital programme. A review has therefore been undertaken to update the Capital Strategy for the period 2016/17 to 2020/21 and this is attached in Appendix 9.

**RESOURCE IMPLICATIONS**

**Capital**

55. As set out in the report details.

**Revenue**

56. This report principally deals with capital. However, the revenue implications arising from borrowing to support the capital programme are included as part of the General Fund Revenue Budget considered elsewhere on this agenda. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

**Property/Other**

57. There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

58. The General Fund Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.

**Other Legal Implications:**

59. None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.

<b>POLICY FRAMEWORK IMPLICATIONS</b>	
60.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

<b>KEY DECISION?</b>	<b>Yes/No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>All</b>
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	General Fund - Individual Scheme Details
2.	Variations Since the September 2016 Capital Update
3.	GF Key Issues – December 2016 Programme Update
4.	Major Slippage & Rephasing
5.	Forecast Variances
6.	Confidential Appendix
7.	HRA - Individual Scheme Details
8.	HRA Key Issues – December 2016 Programme Update
9.	Capital Strategy 2016/17 – 2020/21
<b>Documents In Members’ Rooms</b>	
1.	None
2.	
<b>Equality and Safety Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	<b>Yes/No</b>
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	<b>Yes/No</b>
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at:</b>	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

