

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	THE GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2017/18 TO 2021/22		
<b>DATE OF DECISION:</b>	14 NOVEMBER 2017		
<b>REPORT OF:</b>	CABINET MEMBER FOR FINANCE		
<b><u>CONTACT DETAILS</u></b>			
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<b>Director</b>	<b>Name:</b>	<b>Mel Creighton</b>	<b>Tel:</b> 023 8083 4897
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#### **STATEMENT OF CONFIDENTIALITY**

NOT APPLICABLE

#### **BRIEF SUMMARY**

The purpose of this report is to inform Cabinet of any major changes in the overall General Fund and Housing Revenue Account (HRA) capital programme for the period 2017/18 to 2021/22, highlighting the changes in the programme since the last reported position to Cabinet in August 2017. The report also notes the major forecast variances against the approved estimates.

The net result of the changes since the previous report is that the current overall programme has increased by £4.78M, £3.87M within the General Fund programme and £0.91M within the HRA programme.

#### **RECOMMENDATIONS:**

	(i)	Approve the revised General Fund Capital Programme, which totals £142.17M (as detailed in paragraph 59) and the associated use of resources.
	(ii)	Approve the revised HRA Capital Programme, which totals £182.88M (as detailed in paragraph 59) and the associated use of resources.
	(iii)	Notes that £3.86M has been added to the programme, with approval to spend, either under delegated powers or by Cabinet subject to the relevant financial limits. These additions are detailed in paragraph 7 and Appendix 1 and 3.
	(iv)	Approve the addition of £0.03M to the E&T - City Services programme and approval to spend £0.03M as detailed in paragraph 9 and Appendix 1.
	(v)	Approve the addition of £0.39M to the Sustainability programme and approval to spend £0.39M as detailed in paragraphs 10 to 14 and Appendix 1.
	(vi)	Approve the addition of £0.50M to the Transport programme and

		approval to spend £0.50M as detailed in paragraph 15 and Appendix 1.
	(vii)	Notes that the forecast position at Quarter 2 is £125.37M, resulting in a potential underspend of £36.90M, as detailed in paragraph 41 to 52 and Appendix 5.
	(viii)	Approve the slippage and re-phasing as set out in paragraph 16-40 and as detailed in Appendix 4.
	(ix)	Notes that the capital programme remains fully funded up to 2021/22 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future Government Grants to be received.

### **REASONS FOR REPORT RECOMMENDATIONS**

1.	The Capital Programme is 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.
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### **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.
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### **DETAIL (Including consultation carried out)**

	<b>CONSULTATION</b>
3.	Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations contained in this report. The General Fund and HRA capital programme monitoring report summarises additions to the capital programme and slippage and rephasing since the last approved programme reported in July 2017. Each addition has been subject to the relevant consultation process which reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Officers for each service.
	<b>THE FORWARD CAPITAL PROGRAMME</b>
4.	Table 1 shows a comparison of the latest approved capital expenditure for the period 2017/18 to 2021/22 compared to the previously reported programme.

	<p><u>Table 1 – Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2017/18 £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Latest Programme</td> <td>162.27</td> <td>78.87</td> <td>39.69</td> <td>44.22</td> <td>0.00</td> <td>325.05</td> </tr> <tr> <td>Previous Programme</td> <td>171.27</td> <td>66.54</td> <td>38.49</td> <td>43.97</td> <td>0.00</td> <td>320.27</td> </tr> <tr> <td><b>Variance</b></td> <td><b>(9.00)</b></td> <td><b>12.33</b></td> <td><b>1.20</b></td> <td><b>0.25</b></td> <td><b>0.00</b></td> <td><b>4.78</b></td> </tr> </tbody> </table>		2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	Total £M	Latest Programme	162.27	78.87	39.69	44.22	0.00	325.05	Previous Programme	171.27	66.54	38.49	43.97	0.00	320.27	<b>Variance</b>	<b>(9.00)</b>	<b>12.33</b>	<b>1.20</b>	<b>0.25</b>	<b>0.00</b>	<b>4.78</b>																								
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5.	The overall increase in the programme of £4.78M includes a decrease of £12.75M primarily due to budget allocations to alternative projects within the programme, which is offset by an increase of £17.53M relating to additions to the programme either approved under delegated powers, by Cabinet or requested within this report.																																																				
6.	Table 2 below shows that the Capital Programme has increased by £4.78M, £3.87M within the General Fund and £0.91M in the HRA. Appendix 1 provides details of each variation by portfolios.																																																				
<b>CHANGES TO THE OVERALL PROGRAMME</b>																																																					
	<p><u>Table 2 – Changes in Portfolio Programmes</u></p> <table border="1"> <thead> <tr> <th></th> <th>Latest Programme £M</th> <th>Previous Programme £M</th> <th>Total Change £M</th> </tr> </thead> <tbody> <tr> <td>Communities, Culture &amp; Leisure</td> <td>2.19</td> <td>1.99</td> <td>0.20</td> </tr> <tr> <td>Education &amp; Childrens Social Care</td> <td>33.69</td> <td>33.69</td> <td>0.00</td> </tr> <tr> <td>E&amp;T - City Services</td> <td>5.15</td> <td>4.37</td> <td>0.78</td> </tr> <tr> <td>Finance</td> <td>6.01</td> <td>6.01</td> <td>0.00</td> </tr> <tr> <td>Health &amp; Community Safety</td> <td>1.33</td> <td>1.29</td> <td>0.04</td> </tr> <tr> <td>Housing &amp; Adult Care</td> <td>4.12</td> <td>2.35</td> <td>1.77</td> </tr> <tr> <td>Leaders</td> <td>42.93</td> <td>42.93</td> <td>0.00</td> </tr> <tr> <td>Sustainability</td> <td>4.22</td> <td>3.83</td> <td>0.39</td> </tr> <tr> <td>Transport - E&amp;T</td> <td>42.53</td> <td>41.84</td> <td>0.69</td> </tr> <tr> <td><b>General Fund Programme</b></td> <td><b>142.17</b></td> <td><b>138.30</b></td> <td><b>3.87</b></td> </tr> <tr> <td><b>HRA Programme</b></td> <td><b>182.88</b></td> <td><b>181.97</b></td> <td><b>0.91</b></td> </tr> <tr> <td><b>Total Capital Programme</b></td> <td><b>325.05</b></td> <td><b>320.27</b></td> <td><b>4.78</b></td> </tr> </tbody> </table>		Latest Programme £M	Previous Programme £M	Total Change £M	Communities, Culture & Leisure	2.19	1.99	0.20	Education & Childrens Social Care	33.69	33.69	0.00	E&T - City Services	5.15	4.37	0.78	Finance	6.01	6.01	0.00	Health & Community Safety	1.33	1.29	0.04	Housing & Adult Care	4.12	2.35	1.77	Leaders	42.93	42.93	0.00	Sustainability	4.22	3.83	0.39	Transport - E&T	42.53	41.84	0.69	<b>General Fund Programme</b>	<b>142.17</b>	<b>138.30</b>	<b>3.87</b>	<b>HRA Programme</b>	<b>182.88</b>	<b>181.97</b>	<b>0.91</b>	<b>Total Capital Programme</b>	<b>325.05</b>	<b>320.27</b>	<b>4.78</b>
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7.	Appendix 3 details the changes by individual portfolio programmes to 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 since the last reported position in August 2017. These changes total £3.86M and are summarised in Appendix 1.																																																				
8.	The proposed programme includes the following additions, totalling £0.92M, which require approval as part of this report. Approval is being sought where the overall scheme value is greater than the DDN approval limit, as set out in the Financial Procedure Rules (FPR). These are summarised in Appendix 1.																																																				

	<b><u>E&amp;T – City Services</u></b>
9.	<p><u>Riverside Park Play Area (Addition of £0.03M in 2017/18)</u></p> <p>In collaboration with the Friends of Riverside Park, a sum of £0.03M was awarded by Veolia to grant fund additional works on the play area. Approval is sought for the addition £0.03M to the City Services Programme and for approval to spend this sum in 2017/18, to be funded by grant monies.</p>
	<b><u>Sustainability</u></b>
10.	<p><u>Insulation and Fuel Poverty Initiatives (Addition of £0.07M in 2017/18)</u></p> <p>In order to support and continue work on Insulation and Fuel Poverty Initiatives, a service delivered by the Environment Centre approval is sought to add £0.07M in 2017/18 to the Sustainability Programme and approval to spend this sum funded by a contribution from Eastleigh Borough Council (£0.03M) and Government Grants (£0.04M).</p>
11.	<p><u>The Handyperson Service (Addition of £0.04M in 2017/18)</u></p> <p>The Handyperson service provide housing adaptations for people with disabilities in Southampton. To continue providing this service approval is sought for the addition of £0.04M to the Sustainability Programme in 2017/18 and approval to spend this sum funded by capital receipts.</p>
12.	<p><u>Disabled Facilities Grants (Virement of £0.40M)</u></p> <p>In 2017/18 £1.70M was received via the Better Care Fund (BCF) to fund Disabled Facilities Grants. To increase and extend this scheme approval is sought for the virement of £0.40M within the Sustainability Programme from the HIL/DFG Repayments projects to the Disabled Facilities Grants project and for approval to spend this sum, phased £0.20M in 2017/18 and £0.20M in 2018/19, to be funded from capital receipts.</p>
13.	<p><u>Disabled Facilities Grants (Addition of £0.18M in 2018/19)</u></p> <p>Unallocated funding from the BCF has been identified to provide Disabled Facilities Grants approved in 2017/18 but will be carried out in 2018/19. Therefore approval is sought for the addition of £0.18M to the Sustainability Programme in 2018/19 and approval to spend this sum, to be fully funded from Government Grants.</p>
14.	<p><u>Disabled Facilities Grants Support Costs (Addition of £0.10M in 2017/18)</u></p> <p>In order to support this increased scheme there will be an additional cost. Approval is sought for the addition £0.10M to the Sustainability Programme in 2017/18 and for approval to spend this sum, to be funded by Right-to-Buy receipts.</p>
	<b><u>Transport – E&amp;T</u></b>
15.	<p><u>Anti-Terrorist Measures (Addition of £0.50M in 2017/18)</u></p> <p>To ensure safety within the city centre a range of anti-terrorist measures, including concrete blockades, are being considered. Approval is sought for the addition £0.50M to the Transport Programme in 2017/18 and for approval to spend this sum, to be funded by capital receipts.</p>
	<b><u>SLIPPAGE AND REPHASING</u></b>
16.	<p>The proposed programme identifies £12.59M of net slippage and rephasing from 2017/18 into future years as summarised in Table 3 below and detailed by scheme in Appendix 4. The reason for the major items of slippage and</p>

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	<p><b>Table 3 – Slippage and Rephasing by Portfolio</b></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><b>(Slippage)/ Rephasing £M</b></th> </tr> </thead> <tbody> <tr> <td>Communities, Culture &amp; Leisure</td> <td style="text-align: right;">(0.10)</td> </tr> <tr> <td>Education &amp; Childrens Social Care</td> <td style="text-align: right;">(1.24)</td> </tr> <tr> <td>Finance</td> <td style="text-align: right;">(0.83)</td> </tr> <tr> <td>Health &amp; Community Safety</td> <td style="text-align: right;">(0.18)</td> </tr> <tr> <td>Leaders</td> <td style="text-align: right;">(1.56)</td> </tr> <tr> <td>Transport - E&amp;T</td> <td style="text-align: right;">(1.85)</td> </tr> <tr> <td><b>Total General Fund</b></td> <td style="text-align: right;"><b>(5.76)</b></td> </tr> <tr> <td><b>Total HRA</b></td> <td style="text-align: right;"><b>(6.83)</b></td> </tr> <tr> <td><b>Total Slippage/Rephasing</b></td> <td style="text-align: right;"><b>(12.59)</b></td> </tr> </tbody> </table>		<b>(Slippage)/ Rephasing £M</b>	Communities, Culture & Leisure	(0.10)	Education & Childrens Social Care	(1.24)	Finance	(0.83)	Health & Community Safety	(0.18)	Leaders	(1.56)	Transport - E&T	(1.85)	<b>Total General Fund</b>	<b>(5.76)</b>	<b>Total HRA</b>	<b>(6.83)</b>	<b>Total Slippage/Rephasing</b>	<b>(12.59)</b>
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17.	<p><u>Early Years Expansion (Slippage of £0.60M from 2017/18 to 2018/19)</u> There were delays in securing external DfE capital funding towards Newtown project. In addition, there were delays to enable alternative sites to be explored, to ensure the long term sustainability of the project and provide value for money.</p>																				
18.	<p><u>Valentine Primary PSBP (Slippage of £0.34M from 2017/18 to 2018/19)</u> The expansion of this school is now being delivered via an Education and Skills Funding Agency (ESFA) who have confirmed the phasing of the works and SCC's contribution will be required in 2018/19.</p>																				
19.	<p><u>St Denys PSBP (Slippage of £0.30M from 2017/18 to 2018/19)</u> The expansion of this school is now being delivered via an ESFA who have confirmed the phasing of the works and SCC's contribution will be required in 2018/19.</p>																				
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20.	<p><u>Accommodation Strategy (Slippage of £0.51M from 2017/18 to 2018/19)</u> The remaining works approved under the Accommodation Strategy Action Programme (ASAP) are now on hold pending a report from the Head of Capital Assets on the future of the accommodation strategy and the Civic Centre.</p>																				
21.	<p><u>Desktop Refresh Programme (Slippage of £0.31M from 2017/18 to 2018/19)</u> Spend is currently on hold pending a review of the desktop estate and volumes which could impact the phasing and cost of refresh programme.</p>																				
	<b><u>Health &amp; Community Safety</u></b>																				
22.	<p><u>Estate Parking Improvements (Slippage of £0.18M from 2017/18 to 2018/19)</u> Estate parking improvements require the agreement of owner occupiers, whilst a number of schemes have been identified, delays have occurred whilst owner</p>																				

	occupier agreements are finalised.
	<b><u>Leaders</u></b>
23.	<u>West Quay 3 WWQ (Slippage of £0.31M from 2017/18 to 2018/19)</u> Phase 1 of West Quay 3 construction work is now complete, costs expected to be incurred this year are in respect of dealing with the final account and progression of phase 2. The remaining budget will be slipped into 2018/19 for phase 2.
24.	<u>QE2 Mile Bargate Square (Slippage of £0.86M from 2017/18 to 2018/19)</u> It is expected that only initial design costs will be incurred this year for this project. A report in respect of a Compulsory Purchase Order was considered by Cabinet on the 17 <sup>th</sup> October for the acquisition of occupational leases in Queensway including other land and rights around the site. This project is to fund part of the Public Realm works around the Bargate monument.
25.	<u>Town Depot (Slippage of £0.09M from 2017/18 to 2018/19)</u> The development at Chapel Riverside will required costs to be incurred in 2017/18 to progress the scheme and agree the grant of the building lease to the developer. The remaining budget is to be slipped for use once the developer has progressed the scheme.
26.	<u>Royal Pier (Slippage of £0.21M from 2017/18 to 2018/19)</u> The development proposals for this site are complex and are taking longer to resolve than originally anticipated.
27.	<u>Station Quarter Southside (Slippage of £0.10M from 2017/18 to 2018/19)</u> Work is continuing on proposals for this area, as a result £0.10M of funding for this project is to be slipped from 2017/18 to 2018/19.
	<b><u>Transport</u></b>
28.	<u>City Improvements Redbridge (Rephase of £0.29M from 2018/19 to 2017/18)</u> £0.29M of the Redbridge Roundabout Junction Improvements scheme has been brought forward from 2018/19 to 2017/18, as Highways England are match funding the project and they have bought their part forward by a calendar year. Highways England investment in highway capacity improvements at the Redbridge Roundabout is a key transport funding investment for the city which will deliver major improvements to the SCC highway network.
29.	<u>Cycling Improvements (Slippage of £0.18M from 2017/18 to 2018/19)</u> Delivery of the Eastern strategic cycle route development scheme (£0.10M) has been delayed until 2018/19 due to commitments on the Western Cycle Corridor. Slippage of £0.08M has also been identified on the Bitterne Park Triangle project due to delays in programme delivery.
30.	<u>Accessibility (Slippage of £0.50M from 2017/18 to 2018/19)</u> Slippage to the Local Transport Improvement Fund of £0.50M has been identified as works are to be delivered in 2018/19
31.	<u>City Improvements Millbrook (Slippage of £0.38M from 2017/18 to 2018/19)</u> The Millbrook Roundabout Highway Capacity Improvements project has been delayed due to the delay in delivery of adjacent major works.

32.	<p><u>Bridges Maintenance (Slippage of £1.04M from 2017/18 to 2018/19)</u> Slippage of both the Northam River Bridge Containment (£0.10M) and Other Bridges (£0.94M) has arisen. The project management of these schemes is being “TUPED” from SCC to Highways Service Partnership (HSP) and commissioning of any work has been delayed until 2018/19.</p>
	<p><b><u>HRA</u></b></p>
33.	<p><u>Area Programmes (Slippage of £1.54M from 2017/18 to 2018/19)</u> The provisional allocation of £1.50m for Heating Systems to Housing Operations has to date not had a resource plan developed to demonstrate that delivery is achievable. There are one off properties identified to be delivered by the current team along with the servicing and repairs workload. These will continue to be picked up and managed subject to demand.</p>
34.	<p><u>Door &amp; Window Upgrade (Slippage of £0.91M from 2017/18 to 2018/19)</u> Slippage of £0.91M has arisen on the External Windows and Doors as fewer upgrades required this year than initially projected.</p>
35.	<p><u>Well Maintained Communal Facilities (Slippage of £0.15M from 2017/18 to 2018/19)</u> The Townhill Park Phase 2 MacArthur/Vanguard Development requires slippage of £0.15M from 2017/18 to 2018/19 as a result of resource capacity issues of landscape architects.</p>
36.	<p><u>Safe Wind &amp; Weather Tight (Slippage of £1.08M from 2017/18 to 2018/19)</u> Lift Refurbishment delays have occurred due to outside contractors on site and also additional funding for Albion Towers is required before the scheme can proceed.</p>
37.	<p><u>Roof Replacement (Slippage of £1.07M from 2017/18 to 2018/19)</u> A new roofing contract has been negotiated in order to pick up city wide roofing demand and will not commence until May 2018.</p>
38.	<p><u>Sheltered Communal Improvements (Slippage of £0.21M from 2017/18 to 2018/19)</u> There is slippage in the Supported Housing Area Programme (SHAP) because of a delay in progressing SHAP due to possible re-design.</p>
39.	<p><u>Safe Wind &amp; Weather Tight (Slippage of £0.17M from 2017/18 to 2018/19)</u> Slippage has arisen with the Golden Grove Balconies scheme due to the delay in commencement of the Balcony walkway project.</p>
40.	<p><u>Well Maintained Communal Facilities (Slippage of £1.70M from 2017/18 to 2018/19)</u> A delay due to unresolved issues concerning drains and ongoing testing caused by difficulties appointing a landscape architect has resulted in slippage of £1.27M with the Decent Neighbourhoods Schemes. Delays arising from an ongoing dispute with the supplier over additional costs to provide design and cost information has resulted in slippage of £0.30M to Roads/Paths/Hard Standing development. The remaining budgets for the renewal of Communal Kitchens and the replacement of Communal Central Fan and Water Pump Programmes will be slipped into 2018/19 by £0.07M and £0.07M respectively.</p>

<b>2017/18 MONITORING POSITION</b>																																																																																																									
41.	The forecast performance of individual capital programmes in 2017/18 is summarised in table 4 below.																																																																																																								
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42.	The programme is currently forecast to be underspent by £36.90M in 2017/18. The reasons for the major forecast variances are detailed below and summarised in Appendix 5.																																																																																																								
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43.	<u>Springwell School Expansion (£4.31M Forecast Underspend in 2017/18)</u> Phase 1 works are now complete but had been delayed due to variations in the sequence of works, following agreement with the SEN school requirements for noise and disturbance to pupils. Phase 2 planning application now submitted and design is progressing with a consultant team but this will not be complete until 2018/19. It is anticipated that this budget will be slipped into 2018/19 as part of the February programme update.																																																																																																								
44.	<u>R&amp;M for Schools (£3.42M Forecast Underspend)</u>																																																																																																								



	<p>The programme able to be resourced and delivered this year is estimated to cost £3.43M. It should be noted that this will be a significant increase in that achieved in previous years. The design resource capacity has restricted the number of projects that have been able to be planned and delivered within the summer holiday period, which is to avoid disruption to the school during term time. It is anticipated that this budget will be slipped into 2018/19 as part of the February programme update.</p>
	<p><b><u>Finance</u></b></p>
45.	<p><u>Digital Investment (£3.00M Forecast Underspend in 2017/18)</u></p> <p>Having delivered the first wave of digital transformation the council is now looking to reprioritise its capital investment on broader organisational wide initiatives with a focus on deeper integration of systems and applications that will significantly increase efficiency, e.g. further investment in an holistic ERP solution, a refocus of customer relationship platforms and applications and a rationalisation of infrastructure, data storage and software applications. Options appraisals and timelines are currently being drawn up and will include an estimated spend profile.</p>
	<p><b><u>Leaders</u></b></p>
46.	<p><u>Property Investment Fund (£20.00M Forecast Underspend)</u></p> <p>Due to market conditions early in the year, there was a lack of suitable properties to purchase, so in line with the Property Investment Fund (PIF) strategy an investment was made into the CCLA, a managed property fund. As detailed in paragraph 30 of the Medium Term Financial Strategy (MTFS) and Budget Update report, elsewhere on the agenda, it is understood that DCLG will be revising its Investment Guidance (and its Minimum Revenue Provision (MRP) guidance) for local authorities in England. Initial indications with regards to MRP is that some of the perceived flexibilities within the current guidance will be removed. This could potentially lead to an additional 4% revenue charge with regards to the borrowing in respect of commercial property investment. Future investments will need to take this into consideration when deciding if it is a viable investment or not.</p>
	<p><b><u>HRA</u></b></p>
47.	<p><u>Modern Facilities (£0.10M Forecast Underspend)</u></p> <p>There has been additional demand for disabled adaptations which has resulted in an £0.19M forecast overspend, which is to be fully offset by an underspend on the Housing Refurbishment Programme due to delays in formulating a programme of works for this funding. There is also an underspend on the Housing Health &amp; Safety Rating Scheme (HHSRS) due to the volume of works required not being as high as originally anticipated.</p>
48.	<p><u>Safe Wind &amp; Weather Tight (£0.16M Forecast Underspend)</u></p> <p>Within the Roofing Replacement scheme there is a £0.38M overspend in the West which is offset by an underspend of £0.38M in the East project. There is a £0.16M underspend on Porch/Canopy works, as no works have been identified following inspections which have been carried out.</p>
49.	<p><u>Well Maintained Communal Facilities (£0.11M Forecast Underspend)</u></p> <p>There is £0.11M underspend on Communal Shed / Store Areas works, as no works have been identified following inspections which have been carried out.</p>

50.	<p><u>Estate Regeneration – New Build (£9.39M Forecast Underspend in 2017/18)</u></p> <p>The tendering process for the Estate Regeneration of Woodside/Wimpson was completed in May 2017. The agreed workflow projection from the supplier is for the main works to commence towards Quarter 4. It is anticipated that this budget will be slipped into 2018/19 as part of the February 2018 update.</p>																														
51.	<p>The capital programme is 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 2018, with approval to update the programme for these being sought at that time.</p>																														
52.	<p>Any over spends on individual schemes are financed from identified additional funding or from savings elsewhere in the programme. Portfolios are required to balance their capital programmes within the resources available to them and this may result in reduced outputs where an over spend results in reductions being made elsewhere in the programme.</p>																														
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53.	<p>The resources which can be used to fund the capital programme are as follows:</p> <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>• Revenue Financing</li> </ul>																														
54.	<p>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 Sustainability Portfolio.</p>																														
55.	<p>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 2017/18 these grants have been passported to these areas.</p>																														
<p>Table 5 shows the current level of available resources.</p> <p><u>Table 5 – Available Capital Funding</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resource</th> <th style="text-align: right;">Balance B/Fwd £M</th> <th style="text-align: right;">Received to Date 2017/18 £M</th> <th style="text-align: right;">Allocated To Current Programme £M</th> <th style="text-align: right;">Available Funding £M</th> <th style="text-align: right;">Anticipated Receipts 2017/18 £M</th> </tr> </thead> <tbody> <tr> <td>Capital Receipts</td> <td style="text-align: right;">(13.54)</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">9.37</td> <td style="text-align: right;">(4.17)</td> <td style="text-align: right;">(4.16)</td> </tr> <tr> <td>CIL</td> <td style="text-align: right;">(5.84)</td> <td style="text-align: right;">(2.05)</td> <td style="text-align: right;">2.84</td> <td style="text-align: right;">(5.05)</td> <td style="text-align: right;">(2.66)</td> </tr> <tr> <td>S106</td> <td style="text-align: right;">(9.24)</td> <td style="text-align: right;">(0.88)</td> <td style="text-align: right;">4.70</td> <td style="text-align: right;">(5.42)</td> <td style="text-align: right;">(0.12)</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>(28.62)</b></td> <td style="text-align: right;"><b>(2.93)</b></td> <td style="text-align: right;"><b>16.91</b></td> <td style="text-align: right;"><b>(14.64)</b></td> <td style="text-align: right;"><b>(6.94)</b></td> </tr> </tbody> </table>		Resource	Balance B/Fwd £M	Received to Date 2017/18 £M	Allocated To Current Programme £M	Available Funding £M	Anticipated Receipts 2017/18 £M	Capital Receipts	(13.54)	0.00	9.37	(4.17)	(4.16)	CIL	(5.84)	(2.05)	2.84	(5.05)	(2.66)	S106	(9.24)	(0.88)	4.70	(5.42)	(0.12)		<b>(28.62)</b>	<b>(2.93)</b>	<b>16.91</b>	<b>(14.64)</b>	<b>(6.94)</b>
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	*CR - GF Borrowing	(53.24)	(12.58)	(4.33)	(0.71)	(0.00)	(70.86)
	*CR - HRA Borrowing	(20.39)	(10.06)	(16.21)	(10.09)	(0.00)	(56.75)
	Capital Receipts	(14.89)	(10.12)	(0.01)	(0.96)	(0.00)	(25.98)
	Contributions	(6.36)	(3.05)	(0.00)	(0.00)	(0.00)	(9.41)
	Capital Grants	(30.25)	(9.89)	(2.23)	(2.16)	(0.00)	(44.53)
	Revenue Financing	(13.01)	(12.58)	(1.73)	(10.47)	(0.00)	(37.79)
	HRA - MRA	(24.13)	(20.59)	(15.18)	(19.83)	(0.00)	(79.73)
	<b>Total Financing</b>	<b>(162.27)</b>	<b>(78.87)</b>	<b>(39.69)</b>	<b>(44.22)</b>	<b>(0.00)</b>	<b>(325.05)</b>
	<i>*CR – Council Resources</i>						

60. Table 8 demonstrates that the most significant amount for funding is provided by Council Resources, which at present, will be mainly through borrowing. Borrowing costs are in the main met within a central provision.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

61. This report principally deals with capital and the implications are set out in the main body of the report. However, the revenue implications arising from borrowing to support the capital programme are considered as part of the General Fund revenue budget. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

### **Property/Other**

62. 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:**

63. Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. The Capital Programme update is prepared in accordance with the Local Government Acts 1972 – 2003.

<b><u>Other Legal Implications:</u></b>	
64.	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>RISK MANAGEMENT IMPLICATIONS</b>	
65.	None.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
66.	The update of the Capital Programme forms part of the overall Budget Strategy of the Council.

<b>KEY DECISION?</b>	Yes/No
<b>WARDS/COMMUNITIES AFFECTED:</b>	NONE
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Variations Since the August 2017 Capital Update
2.	General Fund & HRA Capital Programme – Scheme Details
3.	Detailed Approvals Since August 2017 Programme Update
4.	Major Slippage & Rephasing
5.	Forecast Variances
<b>Documents In Members' Rooms</b>	
1.	None
2.	
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.	Yes/No
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes/No
<b>Other Background Documents</b>	
<b>Equality Impact Assessment and 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.		