

	London Borough of Hammersmith & Fulham CABINET 4 MARCH 2013
THE GENERAL FUND, HOUSING REVENUE ACCOUNT AND DECENT NEIGHBOURHOODS CAPITAL PROGRAMMES – BUDGET VARIATIONS AT QUARTER 3 2012/13	
Report of the Leader of the Council – Councillor Nicholas Botterill	
Open Report	
Classification : For Decision Key Decision: Yes	
Wards Affected: All	
Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance	
Report Author: Jade Cheung, Finance Manager (Corporate Accountancy & Capital)	Contact Details: Tel: 0208 753 3374 E-mail: jade.cheung@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the revised capital budget as at quarter 3 for 2012/13, compared with quarter 2 which was approved by Cabinet on 10 December 2012.
- 1.2. This report will agree the budget variations for the General Fund, Housing Revenue Account capital programme and Decent Neighbourhoods capital budgets from the original budget to revised budget in quarter 3.
- 1.3. The net proposed decrease to the Council wide capital programme is £4.2m (table 1). This decrease is primarily attributable to a number of capital budget variations as detailed in section 6 for each service. There is no additional call on the use of capital receipts and therefore the debt reduction programme is unaffected by the changes proposed in this report.

2. RECOMMENDATIONS

- 2.1. That approval be given to the budget variations as at quarter 3 for 2012/13 as set out in this report.

3. REASONS FOR DECISION

- 3.1. The reason for the recommendation is to comply with the Council's Financial Regulations which form part of the Council's Constitution.

4. INTRODUCTION AND BACKGROUND

- 4.1. This report sets out the revised capital budget as at quarter 3 for 2012/13, compared with quarter 2 which was approved by Cabinet on 10 December 2012.
- 4.2. This report will agree the budget variations for the General Fund, Housing Revenue Account capital programme and Decent Neighbourhoods capital budgets from the original budget to revised budget in quarter 3.

5. COUNCIL CAPITAL PROGRAMME

- 5.1. Table 1 below summarises the proposed revisions to the 2012/13 Council wide capital programmes (details in appendix 1).

Table1: Budget Variations to Quarter 3 2012/13

Service Area	Original Budget	Quarter 1 Revised Budget	Quarter 2 Revised Budget	Slippage	Additions/ (Reduction)	Quarter 3 Revised Budget	Net Movement
			[a]	[b]	[c]	[a+b+c]	[b+c]
	£m	£m	£m	£m	£m	£m	£m
Children's Services	57.2	73.7	31.3	-3.8	0.3	27.8	-3.5
Adult Social Care Services	1.5	2.3	1.4	-0.1		1.3	-0.1
Transport and Technical Services	9.6	15.4	15.9	-1.8	0.1	14.2	-1.7
Finance and Corporate Services	0.8	2.1	2.1			2.1	0
Environment, Leisure and Resident's Services	3.7	7.3	7.1			7.1	0
Sub-total - General Fund	72.7	100.9	57.8	-5.7	0.4	52.5	-5.3
Decent Neighbourhoods	13.0	6.1	12.6		1.1	13.7	1.1
Housing (HRA)	37.4	36.7	32.2			32.2	0
Sub-total - Housing	50.5	42.7	44.8	0	1.1	45.9	1.1
Total	123.2	143.6	102.6	-5.7	1.5	98.4	-4.2

6. CAPITAL BUDGET VARIATION ANALYSIS

6.1. Childrens' Services

The budget movement from quarter 2 is a net decrease of £3.5m in quarter 3. This relates mainly to the re-profiling of capital schemes funded by the Local Authority additional Basic Needs grant, into future years. Also there has been a reprofiling of the budget for Lyric Theatre to future years in line with the cash flow projection.

6.2. Adult Social Care

A net decrease of £0.1m is reported in quarter 3. This relates to a slippage of Disabled Facilities Grant profiling into 2013/14. Unexpected non-recurring DFG monies totalling £0.1m was awarded to the Council in December 2012. This funding is projected to slip into 2013/14 as a one off underspend, hence there is a net budget movement from quarter 2 to quarter 3 of £0.1m (decrease).

6.3. Transport and Technical Services

The budget movement from quarter 2 is a net decrease in quarter 3 of £1.7m. This change results from the slippage of planned maintenance programme into 2013/14.

6.4. Housing Revenue Account

There is no movement in the budget between quarter 2 and quarter 3.

6.5. Decent Neighbourhoods

The budget movement from quarter 2 to quarter 3 is net increase of £1.1m. This is due to the pulling forward of a £1million loan to the Local Housing Company, this loan will not be drawn down until all approvals are in place. The balance is due to the repayment of £82K of HRA debt which is now being funded from this balance.

7. CONSULTATION

7.1. Not applicable.

8. EQUALITY IMPLICATIONS

8.1. There are no equality implications relevant to this report.

9. LEGAL IMPLICATIONS

9.1. There are no legal implications relevant to this report.

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. This report is of a financial nature and has been approved by the Bi Borough Director of Finance (LBHF).

11. RISK MANAGEMENT

11.1. Not applicable.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS

12.1. Not applicable.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Quarterly Capital Budget monitoring papers (<i>published</i>)	Jade Cheung (telephone number 0208 753 3374)	Corporate Finance 2 nd Floor HTH ext.

LIST OF APPENDICES:

Appendix 1 – Capital budget variations:

For General Fund, Children's Services, Adult Social Care, Transport & Technical Services, Finance and Corporate Services, Environment, Leisure and Residents Services, Decent Neighbourhoods and Housing Revenue Account Capital Programmes

APPENDIX 1

General Fund – Summary Capital Monitor

Schemes	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
	£'000	£'000	£'000	£'000
Children's Services	31,294	(3,746)	270	27,818
Adult Social Care Services	1,383	(77)		1,306
Transport and Technical Services	15,938	(1,840)	63	14,161
Finance and Corporate Services	2,133			2,133
Environment, Leisure and Residents Services	7,060			7,060
Total Expenditure	57,808	(5,663)	333	52,478

Children's Services

Schemes	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
	£'000	£'000	£'000	£'000
Lyric Theatre Development	10,474	(7,970)		2,504
Primary Capital Programme	385			385
Devolved Capital to Schools	340		270	610
Other Capital Schemes	189			189
Schools Capital Programme	18,701	4,224		22,925
Free Schools	1,205			1,205
Total Children's Services	31,294	(3,746)	270	27,818

Adult Social Care Services

	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Adult Social Care Grant	158			158
Grants to Social Landlords to Improve Hostels	128			128
Supporting Your Choice (Social Care Reform) (DOH)	87			87
Wormwood Scrubs Prison (Grant from PCT)	98			98
Disabled Facilities Grant	912	(77)		835
Total Community Services	1,383	(77)	0	1,306

Transport & Technical Services

	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Footways and Carriageways.	2,250			2,250
Planned Maintenance/DDA Programme	5,861	(1,840)		4,021
River Wall Repairs	40			40
Transport For London Schemes	3,702			3,702
Parking Reserve/ Revenue Contributions	319			319
Developer Contribution Funded	3,139		63	3,202
West London Grant	341			341
Other Capital Schemes	286			286
Total Environment Services	15,938	(1,840)	63	14,161

Finance and Corporate Services

	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Contributions to Invest to Save	2,133			2,133
Total Finance and Corporate Services	2,133	0	0	2,133

Environment, Leisure and Residents Services

	Quarter 2 Revised Budget	Slippage	Additions/ (Reductions)	Quarter 3 Revised Budget
Schemes	£'000	£'000	£'000	£'000
Parks	1,468			1,468
Bishops Park	942			942
Shepherds Bush Common Improvements	2,778			2,778
Recycling	87			87
CCTV	704			704
Hammersmith Library Refurbishment	925			925
Linford Christie Outdoor Sports Centre	156			156
Total ELRS	7,060	0	0	7,060

Decent Neighbourhoods Capital Programme

Schemes	Original Budget 2012/13	Quarter 1 Revised Budget 2012/13	Quarter 2 Revised Budget 2012/13	Slippage	Additions	Quarter 3 Revised Budget 2012/13
	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE:						
Watermeadow Court (Decanting Costs)		231	231			231
Fulham Court (development including Childrens Centre)	1,722	1,714	1,714			1,714
248 Hammersmith Grove		600	600			600
Hostel Improvements	1,321	1,321				
Debt Repayment	9,500					
Shop Investments	500	500				
Edith Summerskill decant costs		1,690	1,690			1,690
HRA Debt repayments taken under pooling rules from receipts					82	82
Earls Court costs to signing CLSA			1,941			1,941
Earls Court Project Team Costs			627			627
Earls Court: Buying back leaseholder and freeholder properties including homelessness and disturbance			5,000			5,000
Earls Court: SDLT on leasehold properties (buybacks and new properties)			124			124
Additional costs post cabinet to signing of CLSA			99			99
Ongoing Earls Court project Costs			300			300
Earls Court OT assessments			20			20
Earls Court Legal Fees post CLSA (includes costs of defending challenges)			120			120
Earls Court Financial advice (due diligence)			25			25
Contributions to Local Housing Company					1,000	1,000
TIS contribution			94			94
Total	13,043	6,056	12,585	0	1,082	13,667

Housing Revenue Account Capital Programme

Schemes	Original Budget	Quarter 1 Revised Budget 2012/13	Quarter 2 Revised Budget 2012/13	Quarter 3 Revised Budget 2012/13
	£ '000	£ '000	£ '000	£ '000
Supply Initiatives (Major Voids)	3,000	3,000	2,520	2,710
Energy Schemes	2,509	1,315	917	786
Lift Schemes	2,539	2,661	3,152	3,152
Internal Modernisation	54			
Major Refurbishments	5,387	8,035	8,408	8,814
Preventative Planned Maintenance	11,299	6,604	2,848	2,853
Minor Programmes	7,581	9,249	7,730	7,594
Decent Homes Partnering	4,880	4,955	5,534	5,534
CSD/RSD Managed (Adaptations, CCTV)	1,050	1,143	1,143	1,143
Rephasing and reprogramming	(879)	(310)	(39)	(373)
Total	37,420	36,652	32,213	32,213