

	<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>14 OCTOBER 2013</p>
<p>THE GENERAL FUND, HOUSING REVENUE ACCOUNT AND DECENT NEIGHBOURHOODS CAPITAL PROGRAMMES – BUDGET VIREMENTS AT QUARTER 1 2013/14 (1 APRIL 2013 TO 30 JUNE 2013)</p>	
<p>Report of the Leader of the Council : Councillor Nicholas Botterill</p>	
<p>Open Report</p>	
<p>Classification : For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Jade Cheung, Finance Manager (Corporate Accountancy & Capital)</p>	<p>Contact Details: Tel: 0208 753 3374 E-mail: jade.cheung@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the revised capital budget as at quarter 1 for 2013/14, compared with Capital Budget Estimates which were approved at the Budget Council on 27th February 2013.
- 1.2. This report will agree the budget virements for the General Fund, Housing Revenue Account capital programme and Decent Neighbourhoods capital budgets from the original budget to revised budget in quarter 1.
- 1.3. The net proposed increase to the Council wide capital programme is £39.5m (table 1). This increase is primarily attributable to a number of capital budget virements as detailed in section 6 for each service. There is an additional call on the use of capital receipts of £3.8m and therefore the debt reduction programme for 2013/14 is directly affected by the changes proposed in this report. The Capital Financing Requirement is projected to be £80.8m by the end of the year.

2. RECOMMENDATIONS

- 2.1. That approval be given to the budget virements as at quarter 1 for 2013/14 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. These regulations require that variations to the Council's Capital Programme – as agreed by full council – are authorised by cabinet.

4. INTRODUCTION AND BACKGROUND

- 4.1. This report sets out the revised capital budget as at quarter 1 for 2013/14, compared with Capital Budget Estimates which were approved at the Council on 27th February 2013.
- 4.2. This report will agree the budget virements for the General Fund, Housing Revenue Account capital programme and Decent Neighbourhoods capital budgets from the original budget to revised budget in quarter 1.

5. COUNCIL CAPITAL PROGRAMME

- 5.1. Table 1 below summarises the proposed revisions to the 2013/14 Council wide capital programmes (details in appendix 1).

Table1: Budget Virements to Quarter 1 2013/14

Service Area	Original Budget	2012-13 carry forwards	Slippage	Additions/ (Reduction)	Quarter 1 Revised Budget	Net Movement
	[a]	[b]	[c]	[d]	[a+b+c+d]	[b+c+d]
	£m	£m	£m	£m	£m	£m
Children's Services	51.2	13.2	(4.0)	9.6	70.0	18.8
Adult Social Care Services	2.1	0.2		0.4	2.7	0.6
Transport and Technical Services	10.5	5.9	(1.3)	0.4	15.5	5.0
Finance and Corporate Services	0.8			0.2	0.9	0.2
Environment, Leisure and Resident's Services	0.5	1.4	(0.4)	0.7	2.2	1.7
Libraries		0.9			0.9	0.9
Sub-total - General Fund	65.1	21.6	(5.7)	11.3	92.2	27.2
Decent Neighbourhoods	27.6	2.6		5.5	35.7	8.1
Housing (HRA)	37.0	7.4	(3.6)	0.5	41.3	4.2
Sub-total - Housing	64.6	10.0	(3.6)	6.0	77.0	12.3
Total	129.7	31.6	(9.3)	17.2	169.2	39.5

6. CAPITAL BUDGET VIREMENT ANALYSIS

- 6.1. The use of capital receipts is forecast for 3 additional new projects Fulham Town Hall rear car park (approved by Cabinet Member Decision 18/3/13), Relocation of HAFAD¹ to Edward Woods Community Centre and Related Refurbishment Requirements (Cabinet 22/7/13) and Fulham Palace Trust (Cabinet 8/4/13). There is a small possibility that the HAFAD project could be funded from section 106 contributions, in which case the use of receipts can be avoided. The other 2 projects have fully spent their budgeted amounts.
- 6.2. Childrens' Services
The budget movement from the original budget is a net increase of £18.8m in quarter 1. This relates mainly to growth in the programme of £9.5m due to the recognition of additional Basic Needs and LA Maintenance grant monies for 2013-15 and re-profiling of capital schemes funded by the Local Authority additional Basic Needs grant (received to 2013), into future years (net slippage £9.3m).
- 6.3. Adult Social Care
A net budget increase of £0.6m is reported in quarter 1. This is explained by the total carry-forwards of £230K for a number of projects, including the Disabled Facilities scheme and Wormwood Scrubs prison. A net £424K additional funding is attributed mainly to the £464K Disabled Facilities funding being received in quarter 1.
- 6.4. Transport and Technical Services
The budget movement from the original budget is a net increase in quarter 1 of £5m. The details of the carry-forwards and other budget movements are shown in the appendix to this report. The key planned maintenance programme has re-profiled £1.3m into 2014/15. Section 106 private developer contributions of £2.2m have been carried forward into 2013/14 from the previous year with an additional £197K in quarter 1. Transport for London externally funded schemes have carried forward £600K from 2012/13. Refer to para. 6.1.
- 6.5. Finance and Corporate Services
The budget movement from the original budget is a net increase in quarter 1 of £150K due to the Relocation of HAFAD to Edward Woods Community Centre (from Gresswell Centre) and Related Refurbishment Requirements. Refer to para. 6.1.
- 6.6. Environment, Leisure and Residents Services
The budget movement from the original budget is a net increase in quarter 1 of £1.7m. The details of the carry-forwards and other budget movements are shown in the appendix to this report. Refer to para. 6.1.

¹ Hammersmith and Fulham Action for Disability (HAFAD)

6.7. Libraries

The budget movement from the original budget is a net increase in quarter 1 of £0.9m. The details of the carry-forwards and other budget movements are shown in the appendix to this report.

6.8. Decent Neighbourhoods

The budget movement from the original budget to quarter 1 is net increase of £8.1m. The details of the carry-forwards and other budget movements are shown in the appendix to this report. The increase in the Decent Neighbourhoods programme of £8.1m is primarily due to new housing development and slippages from 2012/13. The Business Plan for the Housing Development Programme was approved by Cabinet on 24 June 2013. The Council has identified a pipeline of 16 sites to deliver 100 Discounted Market Sales (DMS) and 33 private homes in the next 4 years. The Programme will generate 20% return on capital over the period.

6.9. Housing Revenue Account

A net increase of £4.2m is reported in q1. The details of the carry-forwards and other budget movements are shown in the appendix to this report. The revised budget as at Quarter 1, taking into account carry forward of £7.4m, new resources due to additional Major Repairs Reserve of £0.5m, and subsequent re-profiling of £3.6m, is £41.3m.

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	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, Libraries, Decent Neighbourhoods and Housing Revenue Account Capital Programmes

APPENDIX 1

General Fund – Summary Capital Monitor

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippage s from/(to) future	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Children's Services	51,165	13,232	(4,000)	9,592	69,989
Adult Social Care	2,054	230		424	2,708
Transport & Technical services	10,536	5,921	(1,300)	396	15,553
Finance and Corporate Services	750			150	900
Environment, Leisure and Residents Services	500	1,385	(392)	712	2,205
Libraries		912			912
Total	65,005	21,680	(5,692)	11,274	92,267

Children's Services

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions)/ Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Lyric Theatre Development	12,203	1,441		240	13,884
Devolved Capital to Schools				11	11
Other Capital Schemes		87			87
Schools Organisational Strategy	38,962	11,704	(4,000)	9,341	56,007
Total	51,165	13,232	(4,000)	9,592	69,989

Adult Social Care Services

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Adult Social Care Grant	66			(40)	26
Hostel Improvement Grant		90			90
Supporting Your Choice - Social Care Reform (DoH)	87				87
Adults' Personal Social Services Grant	1,451				1,451
Wormwood Scrubs Prison		64			64
Disabled Facilities Scheme	450	76		464	990
Total	2,054	230	0	424	2,708

Transport & Technical Services

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions)/ Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Footways and Carriageways	2,030				2,030
Planned Maintenance/DDA Programme	4,340	2,239	(1,300)	101	5,380
River Wall Repairs				40	40
Transport For London Schemes	3,466	599			4,065
Parking Reserve/ Revenue Contributions	700	171		147	1,018
Developer Contribution Funded		2,171		197	2,368
Efficiency Reserve Fund					0
West London Grant		279			279
Fulham Town Hall car park				98	98
Other Capital Schemes		462		(187)	275
Total	10,536	5,921	(1,300)	396	15,553

Finance and Corporate Services

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Contribution to Invest to Save Fund	750				750
Gresswell Centre				150	150
Total	750	0	0	150	900

Environment, Leisure and Residents Services

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Parks Expenditure	500	391		94	985
Bishops Park		156			156
Shepherds Bush Common		62			62
Recycling		22			22
CCTV		592	(392)		200
Fulham Palace Trust project				618	618
Linford Christie Stadium Refurbishment		162			162
Total	500	1,385	(392)	712	2,205

Libraries

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£'000	£'000	£'000	£'000	£'000
Hammersmith Library Refurbishment		912			912
Total	0	912	0	0	912

Decent Neighbourhoods Capital Programme

Schemes	2013/14 Budget at Budget Council	Slippages to/from 12/13	Additions/ (Reductions)/ Transfers	Revised Budget 2013/14 (at Quarter 1)
EXPENDITURE	£'000	£'000	£'000	£'000
Watermeadow Court (Demolition Costs)			700	700
248 Hammersmith Grove		600		600
Final decant cost at Watermeadow Court & Edith Summerskill			1,400	1,400
Housing Development Programme (Current Schemes) - Development costs			5,096	5,096
Fulham Court (development including Childrens Centre)	1,747			1,747
Hostel Improvements	1,321			1,321
Shop Investments	500			500
HRA Debt repayments taken under pooling rules from receipts	9,582			9,582
Earls Court Project Team Costs	643			643
Earls Court: Buying back leaseholder and freeholder properties including homeloss and disturbance	9,637	2,000		11,637
Earls Court: SDLT on leasehold properties (buybacks and new properties)	239	50		289
Ongoing Earls Court project Costs	205			205
Earls Court OT assessments	42			42
Earls Court Legal Fees post CLSA (includes costs of defending challenges)	1,161			1,161
Earls Court CPO costs	704			704
Earls Court Stopping up enquiries	51			51
Earls Court Financial advice (due diligence)	26			26
Contributions to Local Housing Company	1,700		(1,700)	0
Total	27,558	2,650	5,496	35,704

Housing Revenue Account Capital Programme

	2013/14 Budget at Budget Council	Slippages to/from 12/13	Slippages from/(to) future years	Additions/ (Reductions) / Transfers	Revised Budget 2013/14 (at Quarter 1)
Schemes	£ '000	£ '000	£ '000	£ '000	£ '000
Supply Initiatives (Major Voids)	2,750				2,750
Energy Schemes	1,284	106			1,390
Lift Schemes	3,470	1,731	(369)	197	5,029
Internal Modernisation					
Major Refurbishments	6,409	2,289	(1,591)	1,838	8,945
Preventative Planned Maintenance	14,171	598	(1,635)	(950)	12,184
Minor Programmes	7,825	2,039		(797)	9,067
Decent Homes Partnering	78	286		474	838
CSD/RSD Managed (Adaptations, CCTV)	1,050	28			1,078
Rephasing and reprogramming		298		(298)	
Total	37,037	7,375	(3,595)	464	41,281