


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>8 FEBRUARY 2016</p>	
<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2015/16 (THIRD QUARTER)</p>	
<p>Report of the Cabinet Member for Finance – Councillor Max Schmid</p>	
<p>Open Report</p>	
<p>Classification: For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Hitesh Jolapara – Strategic Finance Director</p>	
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1. EXECUTIVE SUMMARY

- 1.1 This report provides a financial update on the Council’s Capital Programme and seeks approval for budget variations as at the end of the third quarter, 2015/16. A net decrease of **£20.6m** to the 2015/16 capital budget (as approved at the end of the second quarter) is proposed. This is primarily due to slippages to future years.

2. RECOMMENDATIONS AND DECISIONS

- 2.1 To approve proposed technical budget variations to the capital programme totalling **£20.6m** (summarised in Table 1 and detailed in Appendix 2).

3. REASONS FOR DECISION

- 3.1 This report seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council’s financial regulations.

4. CAPITAL PROGRAMME

4.1 The Council's capital programme as at the end of the third quarter 2015/16 – including proposed variations - is summarised in table 1 below. Further detail for each service can be found in Appendix 1. A full analysis of elements of the programme funded from internal Council resource is included in section 6.

Table 1 – LBHF Capital Programme 2015-19 with proposed 2015/16 Q3 Variations

Revised Budget 2015/16 (Q2) (£'000)	Analysis of Movements (Q2 to Q3)				Revised Budget 2015/16 (Q3) (£'000)	Indicative Future Years Analysis					
	Slippages from/(to) future years (£'000)	Addition/ (Reduction) (£'000)	Transfers (£'000)	Total Variations (Q3) (£'000)		2016/17 (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	Total Budget (All years) (£'000)	
CAPITAL EXPENDITURE											
Children's Services	47,773	(18,116)	1,267	-	(16,849)	30,924	30,199	12,045	390	-	73,558
Adult Social Care	3,713	(1,257)	-	-	(1,257)	2,456	1,707	450	450	450	5,513
Environmental Services	20,443	(1,710)	1,113	-	(597)	19,846	11,311	7,731	7,731	7,731	54,350
Finance & Corporate Services	436	-	-	-	-	436	-	-	-	-	436
Libraries	374	(250)	-	-	(250)	124	250	-	-	-	374
Sub-total (Non-Housing)	72,739	(21,333)	2,380	-	(18,953)	53,786	43,467	20,226	8,571	8,181	134,231
HRA Programme	54,831	231	-	-	231	55,062	47,836	26,117	21,131	21,943	172,089
Decent Neighbourhoods Programme	20,271	(2,034)	99	-	(1,935)	18,336	21,315	21,421	28,222	17,829	107,123
Sub-total (Housing)	75,102	(1,803)	99	-	(1,704)	73,398	69,151	47,538	49,353	39,772	279,212
Total Expenditure	147,841	(23,136)	2,479	-	(20,657)	127,184	112,618	67,764	57,924	47,953	413,443
CAPITAL FINANCING											
Specific/External Financing:											
Government/Public Body Grants	46,273	(13,706)	1,267	(70)	(12,509)	33,764	21,508	4,757	2,297	2,157	64,483
Developers Contributions (S106)	6,900	(760)	2,791	-	2,031	8,931	5,010	-	-	-	13,941
Leaseholder Contributions	5,693	-	-	-	-	5,693	4,093	2,848	2,849	2,849	18,332
Sub-total - Specific Financing	58,866	(14,466)	4,058	(70)	(10,478)	48,388	30,611	7,605	5,146	5,006	96,756
Mainstream Financing (Internal):											
Capital Receipts - General Fund	12,073	(1,200)	-	70	(1,130)	10,943	11,280	5,550	5,480	5,480	38,733
Capital Receipts - Housing*	50,164	(1,803)	(2,679)	-	(4,482)	45,682	28,443	8,794	9,064	16,488	108,471
Revenue funding - General Fund	499	-	1,100	-	1,100	1,599	544	544	544	544	3,775
Revenue Funding - HRA	2,300	-	-	-	-	2,300	3,514	3,702	353	1,562	11,431
Major Repairs Reserve (MRR) [Housing]	16,849	-	-	-	-	16,849	17,377	17,820	18,325	18,873	89,244
Earmarked Reserves (Revenue)	423	-	-	-	-	423	-	-	-	-	423
Sub-total - Mainstream Funding	82,308	(3,003)	(1,579)	70	(4,512)	77,796	61,158	36,410	33,766	42,947	252,077
Internal Borrowing	6,667	(5,667)	-	-	(5,667)	1,000	20,849	23,749	19,011	-	64,609
External Borrowing	-	-	-	-	-	-	-	-	-	-	-
Funding to be identified	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	147,841	(23,136)	2,479	-	(20,657)	127,184	112,618	67,764	57,924	47,953	413,443

*Capital Receipts include use of brought forward Housing receipts

4.2 A net variation to the 2015/16 programme of **£20.6m** is proposed, decreasing total budgeted expenditure from **£147.8m** to **£127.2m**. The proposed net variation comprises:

- A net decrease of £23.1m in respect of slippages and re-profiling of budgets to future years.
- A net increase of £2.5m mainly due to additional funding received for Schools Organisation Strategy (£1.27m) and new Parking payment system schemes (£1.1m)

A detailed analysis of proposed variations for approval is included at Appendix 2.

5. CAPITAL FINANCE REQUIREMENT (CAPITAL DEBT)

- 5.1 The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. For the General Fund CFR, the Council is required to set-aside an annual provision from revenue, known as the Minimum Revenue Provision (MRP), which is designed to set aside resource to repay debt. There is no requirement to make MRP in respect of Housing debt. The CFR and MRP are explained in more detail in appendix 4.
- 5.2 General Fund Headline¹ CFR debt is forecast to be **£45.26m** by the end of 2015/16 year. Table 2 below shows the current CFR forecast based on the continued application of surplus receipts to debt. The General Fund CFR is stated with and without schools' windows in the table below. This is because the Dedicated Schools Grant (DSG) will compensate the Council for any cost of borrowing associated with the Schools' Windows programme. The forecast General Fund CFR excluding school windows at the end of 2015/16 is £44.26m.

Table 2 – Forecast General Fund CFR at Q3 2015-16

General Fund CFR Forecast	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Closing CFR (Including DSG-funded Schools Windows borrowing)	45.26	52.51	57.21	58.54	59.57
Closing CFR (Excluding DSG-funded Schools Windows borrowing)	44.26	42.17	37.92	39.79	41.61

- 5.3 The current HRA CFR forecast is shown in Table 3 below:

Table 3 – Forecast HRA CFR at Q3 2015-16

HRA CFR Forecast	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Closing Forecast HRA CFR	210.01	221.48	235.86	254.61	254.61

6. GENERAL FUND – MAINSTREAM PROGRAMME AND CAPITAL RECEIPTS

- 6.1 The General Fund mainstream programme cuts across the departmental programmes and represents schemes which are funded from internal Council resource – primarily capital receipts. It is effectively the area of the programme where the Council has the greatest discretion. The receipts available to the mainstream programme come via the General Fund asset disposal strategy which sits as part of the Asset Management Plan. The mainstream programme is summarised in Table 4.

¹ Excludes items such as finance leases and PFIs, the MRP cost of which is funded through revenue budgets.

Table 4 – General Fund Mainstream Programme at 2015/16 Q3

	2015/16 Revised Budget	Variations (Q3)	Revised Budget 2015/16 (Q3)	Indicative Budget 2016/17	Indicative Budget 2017/18	Indicative Budget 2018/19	Indicative Budget 2019/20	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure								
Ad Hoc Schemes:								
Schools Organisation Strategy [CHS] (mainstream element)*	430	-	430	2,730	70	-	-	3,230
Carnwath Road [ENV]	1,200	(1,200)	-	3,070	-	-	-	3,070
Other capital schemes [ENV]		1,100	1,100	-	-	-	-	1,100
Fulham Cemetery (Porta Cabins) [ENV]	85	-	85	-	-	-	-	85
Rolling Programmes:								
Disabled Facilities Grant [ASC]	600	70	670	450	450	450	450	2,470
Planned Maintenance/DDA Programme [ENV]**	7,233	-	7,233	2,500	2,500	2,500	2,500	17,233
Footways and Carriageways [ENV]	2,051	-	2,051	2,030	2,030	2,030	2,030	10,171
Controlled Parking Zones [ENV]	300	-	300	275	275	275	275	1,400
Column Replacement [ENV]	-	-	-	269	269	269	269	1,076
Parks Programme [ENV]	704	-	704	500	500	500	500	2,704
Total Mainstream Programmes	12,603	(30)	12,573	11,824	6,094	6,024	6,024	42,539
Available and Approved Resource								
Capital Receipts (total available)	16,178	(4,364)	11,814	13,330	9,840	3,840	3,840	42,664
General Fund Revenue Account	499	1,100	1,599	544	544	544	544	3,775
Available Mainstream Resource	16,677	(3,264)	13,413	13,874	10,384	4,384	4,384	46,439
In-year surplus/(deficit)	4,074		840	2,050	4,290	(1,640)	(1,640)	
Surplus/(deficit) brought-forward	-		-	840	2,890	7,180	5,540	
Surplus/(deficit) carried forward	4,074		840	2,890	7,180	5,540	3,900	

*Queensmill redevelopment using Earls Court receipt, £9m of which has been ring-fenced for this purpose

** The Planned Maintenance Programme includes the planned refurbishment for Hammersmith Town Hall.

It is likely that this budget will increase by approximately £3m-£4m once the slippages from 2015/16 have been confirmed.

- 6.2 Forecast capital receipts for the year, as at the third quarter, are **£11.8m**. As at October 2015 **£7.3m** of capital receipts have been realised (before an allowance for costs of disposal which cannot exceed 4%). A summary of forecast receipts is included in Appendix 3.
- 6.3 As at the end of the third quarter, **£1.1m** of deferred disposal costs have been accrued in respect of anticipated General Fund disposals. These costs are netted against the receipt when received (subject to certain restrictions). In the event that a sale does not proceed these costs must be written back to revenue. Deferred costs are summarised in Appendix 3.
- 6.4 The mainstream programme is currently showing an overall forecast surplus in 2015/16 of **£0.84m**. Over the next four years the programme is forecast to be in surplus by **£3.9m**. The surplus currently underpins the debt reduction forecast.

7. OTHER PROGRAMMES

7.1 Housing Capital Programme

7.1.1 The expenditure and resource analysis of the Housing Programme is summarised in Table 5 below. Detailed expenditure on scheme level is included in Appendix 1.

Table 5 – Housing Capital Programme 2015-19 at Q3 2015-16

Housing Programme - Resource Summary							
	Current Year Programme			Indicative Future Years			
	2015/16 Revised Budget	Total Variations Q3	Revised Budget 2015/16 (Q3)	Indicative 2016/17 Budget	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure							
Decent Neighbourhood Schemes	20,271	(1,935)	18,336	21,315	21,421	28,222	17,829
HRA Schemes	54,831	230	55,061	47,836	26,117	21,131	21,943
Total Housing Programme - Approved Expenditure	75,102	(1,705)	73,397	69,151	47,538	49,353	39,772
Funding							
Capital Receipts - Unrestricted	19,060	24,535	43,595	26,404	3,675	3,835	3,915
Capital Receipts - RTB (141)	-	1,576	1,576	2,039	1,320	856	1,422
Earls Court Buyback rental income	-	-	-	466	3,702	353	1,562
Earls Court Receipts recognisable	-	-	-	-	3,799	4,374	11,151
Housing Revenue Account (revenue funding)	2,300	-	2,300	3,048	-	-	-
Major Repairs Reserve (MRR)	16,849	-	16,849	17,377	17,820	18,325	18,873
Contributions Developers (S106)	2,869	(91)	2,778	3,450	-	-	-
Repayment of NHHT loan	-	-	-	800	-	-	-
Contributions from leaseholders	5,693	-	5,693	4,093	2,849	2,849	2,849
Internal Borrowing	-	-	-	11,474	14,373	18,761	-
Total Funding	47,377	26,020	73,397	69,151	47,538	49,353	39,772

Housing Capital Resource Balances					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Usable Capital Receipts					
Capital Receipts B/f	70,135	42,964	30,099	40,779	51,923
Generated in year	18,000	12,000	12,000	12,000	12,000
Used in Year	(45,171)	(2,039)	(1,320)	(856)	(1,422)
Capital Receipts C/f	42,964	52,925	40,779	51,923	62,501
<i>Of Which '141' Restricted</i>	<i>20,138</i>	<i>30,099</i>	<i>40,779</i>	<i>51,923</i>	<i>62,501</i>
<i>Associated deferred costs</i>	<i>409</i>	<i>409</i>	<i>409</i>	<i>409</i>	<i>409</i>
Deferred Capital Receipts (Earls Court)					
Balance B/f	15,000	29,900	44,800	55,901	66,427
Receipts in Year	14,900	14,900	14,900	14,900	14,900
Recognition Profile	-	(3,799)	(4,374)	(11,151)	-
Balance C/f	29,900	44,800	55,901	66,427	70,176
<i>Associated deferred costs</i>	<i>4,257</i>	<i>4,257</i>	<i>4,257</i>	<i>4,257</i>	<i>4,257</i>

7.1.2 The Decent Neighbourhoods Fund contains the Council's Housing Capital Receipts which in accordance with the change in capital regulations, effective from 1 April 2013 must be used for Housing or Regeneration purposes and shows how the Council plans to reinvest those receipts in Housing and Regeneration.

8. EQUALITY IMPLICATIONS

- 8.1 There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and as such is not impacting directly on any protected group.
- 8.2 Implications verified/completed by: David Bennett, Head of Change Delivery (Acting) - 020 7361 1628.

9. LEGAL IMPLICATIONS

- 9.1 There are no direct legal implications in relation to this report.
- 9.2 Implications verified/completed by: David Walker, Principal Solicitor, Commercial and Corporate Property, 020 7361 2211.

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 This report is wholly of a finance nature.

11. IMPLICATIONS FOR BUSINESS

- 11.1 The Council's Capital Programme represents significant expenditure within the Borough and consequently, where supplies are sourced locally, may impact either positively or negatively on local contractors and sub-contractors. Where capital expenditure increases, or is brought forward, this may have a beneficial impact on local businesses; conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.
- 11.2 Implications completed by: Antonia Hollingsworth, Principal Business Investment Officer, Planning and Growth Dept. Tel: 020 8753 1698

12. RISK MANAGEMENT

- 12.1 Large scale capital projects can operate in environments which are complex, turbulent and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts and anticipating the slow emerging risks which have the ability to escalate rapidly are all necessary components of good capital programme risk management.
- 12.2 Major capital projects can significantly enhance value based on how well they are executed. Considering their high impact nature, the levels of oversight, governance, risk management and assurance need to be in place. For this the standards for the Council are set out in the financial regulations and scheme of delegation along with the key controls. A clearly defined enterprise wide risk management framework is now established across the Council and Shared Services which considers all relevant risk classes and provides a common definition and approach to risk management. This will ensure that a common language and understanding is secured. Capital projects form part of the Strategic risks and monitoring of the programme is noted as a key mitigating action.

12.3 Implications completed by: Michael Sloniowski, Shared Services Risk Manager, telephone 0208 753 2587

13. PROCUREMENT IMPLICATIONS

13.1 There are no immediate procurement implications arising from this report. The corporate Procurement team will advise and support service departments on their major capital procurements as and when such support is required, including consideration of whether and how any social value, local economic and community benefits might be obtained from these.

13.2 Implications completed by: John Francis, Interim Head of Procurement (Job-Share) - 020 7361 2582.

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.	None		

LIST OF APPENDICES:

Appendix 1 – Detailed Capital Budgets, Spend and Variation analysis by Service

Appendix 2 – Analysis of Budget Variations

Appendix 3 – Capital Receipts Forecast

Appendix 4 – Capital Finance Requirement

Appendix 1 – Detailed Capital Budget, Spend and Variation Analysis by Service

Children's Services

	Current Year Programme					Indicative Future Years Analysis						
	Analysis of Movements (Q2 to Q3)					Spend to Date	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)	
	Revised Budget 2015/16 (Q2)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements							Revised Budget 2015/16 (Q3)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Scheme Expenditure Summary												
Lyric Theatre Development	2,426	-	-	-	-	2,426	28	-	-	-	-	2,426
Devolved Capital to Schools	-	-	-	-	-	-	(142)	-	-	-	-	-
Schools Organisational Strategy	38,473	(12,449)	1,267	-	(11,182)	27,291	7,503	20,824	2,670	140	-	50,925
Schools Window Replacement Project	6,667	(5,667)	-	-	(5,667)	1,000	284	9,375	9,375	250	-	20,000
Other Capital Schemes	207	-	-	-	-	207	72	-	-	-	-	207
Total Expenditure	47,773	(18,116)	1,267	-	(16,849)	30,924	7,745	30,199	12,045	390	-	73,558
Capital Financing Summary												
Specific/External or Other Financing												
Capital Grants from Central Government	37,380	(12,449)	1,267	-	(11,182)	26,198	7,433	18,094	2,600	140	-	47,032
Grants and Contributions from Private Developers (includes S106)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants/Contributions from Non-departmental public bodies	3,296	-	-	-	-	3,296	28	-	-	-	-	3,296
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	40,676	(12,449)	1,267	-	(11,182)	29,494	7,461	18,094	2,600	140	-	50,328
Mainstream Financing (Internal Council Resource)												
Capital Receipts	200	-	-	-	-	200	-	2,730	70	-	-	3,000
General Fund Revenue Account (revenue funding)	230	-	-	-	-	230	-	-	-	-	-	230
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	430	-	-	-	-	430	-	2,730	70	-	-	3,230
Borrowing	6,667	(5,667)	-	-	(5,667)	1,000	284	9,375	9,375	250	-	20,000
Funding to be identified/agreed	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	47,773	(18,116)	1,267	-	(16,849)	30,924	7,745	30,199	12,045	390	-	73,558

Adult Social Care Services

Current Year Programme

Indicative Future Years Analysis

Analysis of Movements (Q2 to Q3)

Revised Budget 2015/16 (Q2)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2015/16 (Q3)	Spend to Date	2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)	
												£'000
Scheme Expenditure Summary												
Extra Care New Build project (Adults' Personal Social Services Grant)	957	(957)	-	-	(957)	-	-	957	-	-	-	957
Community Capacity Grant	507	-	-	-	-	507	(1)	-	-	-	-	507
Parkview Project	223	-	-	-	-	223	-	-	-	-	-	223
Transforming Care (Winterbourne Grant)	300	(300)	-	-	(300)	-	-	300	-	-	-	300
Autism Capital Grant	4	-	-	-	-	4	-	-	-	-	-	4
Social Care Capital Grant	511	-	-	-	-	511	-	-	-	-	-	511
Disabled Facilities Grant	1,211	-	-	-	-	1,211	427	450	450	450	450	3,011
Total Expenditure	3,713	(1,257)	-	-	(1,257)	2,456	426	1,707	450	450	450	5,513
Capital Financing Summary												
Specific/External or Other Financing												
Capital Grants from Central Government	2,590	(957)	-	(70)	(1,027)	1,563	426	957	-	-	-	2,520
Grants and Contributions from Private Developers (includes S106)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants/Contributions from Non-departmental public bodies	300	(300)	-	-	(300)	-	-	300	-	-	-	300
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	2,890	(1,257)	-	70	(1,327)	1,563	426	1,257	-	-	-	2,820
Mainstream Financing (Internal Council Resource)												
Capital Receipts	600	-	-	70	70	670	-	450	450	450	450	2,470
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	223	-	-	-	-	223	-	-	-	-	-	223
Sub-total - Mainstream Funding	823	-	-	70	70	893	-	450	450	450	450	2,693
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	3,713	(1,257)	-	-	(1,257)	2,456	426	1,707	450	450	450	5,513

Environmental Services

Current Year Programme

Indicative Future Years Analysis

	Analysis of Movements (Q2 to Q3)					Revised Budget 2015/16 (Q3) £'000	Spend to Date £'000	Indicative Future Years Analysis							
	Revised Budget 2015/16 (Q2) £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000			2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000			
Scheme Expenditure Summary															
Planned Maintenance/DDA Programme	7,233	-	-	-	-	7,233	308	2,500	2,500	2,500	2,500	17,233			
Footways and Carriageways	2,051	-	-	-	-	2,051	970	2,030	2,030	2,030	2,030	10,171			
Transport For London Schemes	2,801	-	-	-	-	2,801	973	2,157	2,157	2,157	2,157	11,429			
Controlled Parking Zones	299	-	-	-	-	299	-	275	275	275	275	1,399			
Column Replacement	-	-	-	-	-	-	-	269	269	269	269	1,076			
Carnwath Road	1,200	(1,200)	-	-	(1,200)	-	-	3,070	-	-	-	3,070			
Fulham Cemetery (Porta Cabin Facility)	85	-	-	-	-	85	-	-	-	-	-	85			
Hammersmith Bridge Strengthening	170	-	-	-	-	170	-	-	-	-	-	170			
Other Capital Schemes	3,628	-	1,113	-	1,113	4,741	(199)	-	-	-	-	4,741			
Parks Expenditure	1,760	-	-	-	-	1,760	66	500	500	500	500	3,760			
Shepherds Bush Common Improvements	688	(510)	-	-	(510)	178	98	510	-	-	-	688			
Recycling	19	-	-	-	-	19	-	-	-	-	-	19			
CCTV	366	-	-	-	-	366	83	-	-	-	-	366			
Linford Christie Stadium Refurbishment	143	-	-	-	-	143	2	-	-	-	-	143			
Total Expenditure	20,443	(1,710)	1,113	-	(597)	19,846	2,301	11,311	7,731	7,731	7,731	54,350			
Capital Financing Summary															
Specific/External or Other Financing															
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	6,090	(510)	13	-	(497)	5,593	394	510	-	-	-	-	6,103		
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	(410)	-	-	-	-	-	-		
Capital Grants and Contributions from GLA Bodies	2,611	-	-	-	-	2,611	973	2,157	2,157	2,157	2,157	11,239			
Sub-total - Specific or Other Financing	6,439	(510)	13	-	(497)	8,204	957	2,667	2,157	2,157	2,157	17,342			
Mainstream Financing (Internal Council Resource)															
Capital Receipts	11,273	(1,200)	-	-	(1,200)	10,073	1,344	8,100	5,030	5,030	5,030	33,263			
General Fund Revenue Account (revenue funding)	269	-	1,100	-	1,100	1,369	-	544	544	544	544	3,545			
Use of Reserves	200	-	-	-	-	200	-	-	-	-	-	200			
Sub-total - Mainstream Funding	11,028	(1,200)	1,100	-	(100)	11,642	1,344	8,644	5,574	5,574	5,574	37,008			
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-			
Total Capital Financing	17,467	(1,710)	1,113	-	(597)	19,846	2,301	11,311	7,731	7,731	7,731	54,350			

Libraries Services

Current Year Programme

Indicative Future Years Analysis

Analysis of Movements (Q2 to Q3)

Revised Budget 2015/16 (Q2) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2015/16 (Q3) £'000	Spend to Date £'000	2016/17	2017/18	2018/19	2019/20	Total	
							Budget £'000	Budget £'000	Budget £'000	Budget £'000	Budget (All years) £'000	
Scheme Expenditure Summary												
Hammersmith Library Refurbishment Project	374	(250)	-	-	(250)	124	24	250	-	-	-	374
Total Expenditure	374	(250)	-	-	(250)	124	24	250	-	-	-	374
Capital Financing Summary												
Specific/External or Other Financing												
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	374	(250)	-	-	(250)	124	24	250	-	-	-	374
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	374	(250)	-	-	(250)	124	24	250	-	-	-	374
Mainstream Financing (Internal Council Resource)												
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	374	(250)	-	-	(250)	124	24	250	-	-	-	374

Housing Capital Programme

Current Year Programme

Indicative Future Years Analysis

	Analysis of Movements (Q2 to Q3)					Revised Budget 2015/16 (Q3)	Spend to Date	Indicative Future Years Analysis						
	Revised Budget 2015/16 (Q2)	Slippages from/(to) future years	Additions/(Reductions)	Transfers	Total Transfers/Virements			2016/17 Budget	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary														
HRA Schemes:														
Supply Initiatives (Major Voids)	2,487	-	-	-	-	2,487	2,331	939	-	-	-	-	3,426	
Energy Schemes	3,035	-	-	-	-	3,035	2,119	3,961	2,150	1,885	2,057	-	13,088	
Lift Schemes	4,270	-	-	-	-	4,270	672	6,373	5,101	2,687	94	-	18,525	
Internal Modernisation	6,100	332	-	(332)	-	6,100	3,721	1,408	-	-	1,403	-	8,911	
Major Refurbishments	13,818	554	-	20	574	14,392	7,262	16,565	12,202	11,874	13,746	-	68,779	
Planned Maintenance Framework	16,009	(655)	-	355	(300)	15,709	9,244	9,071	-	-	-	-	24,780	
Minor Programmes	7,800	-	-	(44)	(44)	7,756	3,778	8,346	6,707	5,722	6,694	-	35,225	
Decent Homes Partnering	-	-	-	-	-	-	-	-	-	-	-	-	-	
ASC/ELRS Managed	1,312	-	-	-	-	1,312	828	1,173	950	823	888	-	5,146	
Rephasing & Reprogramming	-	-	-	-	-	-	-	-	(993)	(1,860)	(2,939)	-	(5,792)	
Subtotal HRA	54,831	231	-	-	230	55,061	29,955	47,836	26,117	21,131	21,943	-	172,088	
Decent Neighbourhood Schemes:														
HRA Debt Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Earls Court Buy Back Costs	10,897	-	10	-	10	10,907	7,012	10,506	16,378	24,128	13,782	-	75,701	
Earls Court Project Team Costs	851	(57)	-	-	(57)	794	326	4,636	5,043	4,094	4,047	-	18,614	
Housing Development Project	3,626	(639)	89	-	(550)	3,076	98	4,928	-	-	-	-	8,004	
Other DNP projects	4,898	(1,338)	-	-	(1,338)	3,560	1,458	1,245	-	-	-	-	4,805	
Subtotal Decent Neighbourhoods	20,271	(2,034)	99	-	(1,935)	18,337	8,895	21,315	21,421	28,222	17,829	-	107,124	
Total Expenditure	75,102	(1,803)	99	-	(1,705)	73,398	38,850	69,151	47,538	49,352	39,772	-	279,212	
Capital Financing Summary														
Specific/External or Other Financing														
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions from leaseholders	5,693	-	-	-	-	5,693	-	4,093	2,849	2,849	2,849	-	18,333	
Grants and Contributions from Private Developers (includes S106)	-	-	2,778	-	2,778	2,778	-	4,250	-	-	-	-	7,028	
Capital Grants and Contributions from GLA Bodies	96	-	-	-	-	96	-	-	-	-	-	-	96	
Sub-total - Specific or Other Financing	5,789	-	2,778	-	2,778	8,567	-	8,343	2,849	2,849	2,849	-	25,457	
Mainstream Financing (Internal Council Resource)														
Capital Receipts (inc adj for deferred costs)	50,164	(1,803)	(2,679)	-	(4,482)	45,682	22,001	28,443	8,794	9,064	16,488	-	108,471	
Housing Revenue Account (revenue funding)	2,300	-	-	-	-	2,300	-	3,514	3,702	353	1,562	-	11,431	
Major Repairs Reserve (MRR) / Major Repairs	16,849	-	-	-	-	16,849	16,849	17,377	17,820	18,325	18,873	-	89,244	
Sub-total - Mainstream Funding	693,138	(1,803)	(2,679)	-	(4,482)	64,831	38,850	49,334	30,316	27,742	36,923	-	209,146	
Borrowing (Internal Borrowing)	-	-	-	-	-	-	-	11,474	14,373	18,761	-	-	44,608	
Total Capital Financing	75,102	(1,803)	99	-	(1,705)	73,398	38,850	69,151	47,538	49,352	39,772	-	279,212	

Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
Children's Services	
School's Organisation Strategy – Slippage of £12.4m due to re-profiling of budgets to future years in respect of the following projects: <ul style="list-style-type: none"> • Bentworth Ark Academy £(573)k • Holy Cross Expansion - £139k • William Morris -£(385)k • Bridge Academy -£(9,870)k • Phoenix High School- £(1,760) 	(12,449)
Schools Window Replacement Project-slippage to future years	(5,667)
School's Organisation Strategy- additional funding received in 2015/16 in respect of Schools' Condition Allocation grant	1,267
Total CHS variations	(16,849)
Adult Social Care	
Extra Care New Build project (Adults' Personal Social Services Grant)- slippage due to the project delays	(957)
Transforming Care (Winterbourne Grant)- slippage to the future years	(300)
Total ASC variations	(1,257)
Environmental Services	
Carnwath Road-slippage to 2016/17	(1,200)
Other Capital Schemes – new projects for Pay by Phone and Pay & Display funded by efficiency reserve (approved by Cabinet, 12/10/15)	1,113
Slippage in S106 funded Shepherds Bush Green refurbishment project	(510)
Total Environmental Services variations	(597)
Libraries Services	
Slippage to 2016/17	(250)
Total Libraries Services	(250)
Housing Capital Programme	
HRA schemes-net slippages from/to future years as a result of budget re-profiling	231
Earls Court Buyback Costs-additional budget for contingency for former leaseholder owners of buybacks claiming compensation retrospectively	10
Earls Court Project Team Costs- slippage in project team costs.	(57)
Housing Development Project- net reduction of £(0.55)m comprising of £(0.64)m slippages to the future years and £0.09m additional budget	(550)
Other Housing Development Project- £480k slippage to future years related to HEIP projects and £858k slippage due to delays in Watermeadow project	(1,338)
Total Housing variations	(1,704)

Appendix 3 – General Fund – Forecast Capital Receipts

Year	Previous Forecast £'000s	Movement/ Slippage £'000s	Forecast Outturn at Quarter 3 £'000s	Deposit received to date £'000s	Full sales proceeds @ Q3 £'000s	Deferred Costs of Disposal reserved £'000s
2015/16						
Total 2015/16	16,178	(4,364)	11,814	-	7,318	197
2016/17						
Total 2016/17	15,356	(2,026)	13,330	-	-	521
2017/18						
Total 2017/18	3,840	6,000	9,840	250	-	418
2018/19						
Total 2018/19	3,840	-	3,840	-	-	-
2019/20						
Total 2019/20	-	3,840	3,840	-	-	-
Total All Years	39,214	3,450	42,664	250	7,318	1,136

Appendix 4 – The Capital Finance Requirement (CFR) and the Minimum Revenue Provision (MRP)

The Capital Finance Requirement (CFR) measures an authority's underlying need to borrow for a capital purpose. It replaced the 'credit ceiling' regime in 2004 as is the measure of debt in all local authorities.

The CFR is the difference between capital expenditure incurred and the resources set aside to fund this expenditure. It serves as a measure of an authority's indebtedness.

The CFR does not necessarily equal the outstanding loans of the authority. A council may – at a given point in time - be 'cash rich' and pay for a new asset in full without entering into new loans. However, unless the Council simultaneously sets aside reserves, this purchase remains 'unfunded' – accordingly the CFR will increase. In this example the Council has 'borrowed internally'. Put another way, if all of its other liabilities were called-in tomorrow, the Council would need to go out and borrow. This is known as an 'underlying need to borrow'.

The CFR can be thought of as the amalgam of actual borrowing (loans) and internal borrowing.

In order to keep the CFR 'in check', Local Authorities are required to recognise an annual revenue cost – known as the Minimum revenue Provision (MRP). The MRP will, over time, reduce the CFR. There are a number of options for selecting MRP, although traditionally this has been 4% of the CFR.

The MRP formula contains a 'floor' - known as 'Adjustment A' - which has been individually fixed for all authorities. When the CFR drops below this level, MRP is no longer payable. For Hammersmith and Fulham the floor has been set at £43.2m. In short, there is no revenue incentive to reduce the CFR below this level.

In addition to MRP, authorities are able to make voluntary provisions to reduce the CFR. These provisions can be made from capital or revenue resources. Voluntary reduction of the CFR will result in a lower MRP cost in the following year.

The CFR presented in this report excludes the CFR associated with Finance Leases and PFIs as the financing costs of these elements are fully funded through revenue budgets.