


<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>10 OCTOBER 2016</b></p>	
<p><b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2016/17 (FIRST QUARTER)</b></p>	
<p><b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For Decision</p>	
<p><b>Key Decision:</b> Yes</p>	
<p><b>Consultation:</b> Service Finance Teams</p>	
<p><b>Wards Affected:</b> ALL</p>	
<p><b>Accountable Director:</b> Hitesh Jolapara, Strategic Finance Director</p>	
<p><b>Report Author:</b> Christopher Harris, Head of Corporate Accountancy and Capital</p>	<p><b>Contact Details:</b> Tel: 0208 753 6440 Email: christopher.harris@lbhf.gov.uk</p>

## 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 first quarter, 2016/17. A net decrease of **£5.2m** to the 2016/17 capital budget (as approved at the end of the fourth quarter, 2015/16) is proposed.

## 2. RECOMMENDATIONS

- 2.1. To approve proposed technical budget variations to the capital programme totalling **£5.2m** (summarised in Table 1 and detailed in Appendix 2 of the report).

## 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 2016-17 –Q1 VARIATIONS

4.1. The Council's capital programme as at the end of the first quarter 2016/17 – including proposed variations - is summarised in Table 1 below. A full analysis of elements of the programme funded from internal Council resource is included in section 6.

Table 1 – LBHF Capital Programme 2016-20 with proposed 2016/17 Q1 Variations

	Analysis of Movements (Revised budget to Q1)						Indicative Future Years Analysis				
	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	Slippages from/(to) future years £'000	Addition/(Reduction) £'000	Transfers £'000	Total Variations (Q1) £'000	Revised Budget 2016/17 (Q1) £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total Budget (All years) £'000
<b>CAPITAL EXPENDITURE</b>											
Children's Services	30,199	44,946	(3,984)	4,604	-	620	45,566	15,608	751	-	61,925
Adult Social Care	1,707	2,545	-	1,019	-	1,019	3,564	450	450	450	4,914
Environmental Services	11,311	22,908	-	3,226	-	3,226	26,134	7,731	7,731	7,731	49,327
Finance & Corporate Services	-	436	-	-	-	-	436	-	-	-	436
Libraries	250	285	-	-	-	-	285	-	-	-	285
<b>Sub-total (Non-Housing)</b>	<b>43,467</b>	<b>71,120</b>	<b>(3,984)</b>	<b>8,849</b>	<b>-</b>	<b>4,865</b>	<b>75,985</b>	<b>23,789</b>	<b>8,932</b>	<b>8,181</b>	<b>116,887</b>
HRA Programme	47,836	49,304	(17)	1,245	-	1,228	50,532	29,900	24,040	26,635	131,107
Decent Neighbourhoods Programme	21,315	27,011	(11,592)	349	-	(11,243)	15,768	13,378	13,147	25,178	67,471
<b>Sub-total (Housing)</b>	<b>69,151</b>	<b>76,315</b>	<b>(11,609)</b>	<b>1,594</b>	<b>-</b>	<b>(10,015)</b>	<b>66,300</b>	<b>43,278</b>	<b>37,187</b>	<b>51,813</b>	<b>198,578</b>
<b>Total Expenditure</b>	<b>112,618</b>	<b>147,435</b>	<b>(15,593)</b>	<b>10,443</b>	<b>-</b>	<b>(5,150)</b>	<b>142,285</b>	<b>67,067</b>	<b>46,119</b>	<b>59,994</b>	<b>315,465</b>
<b>CAPITAL FINANCING</b>											
<b>Specific/External Financing:</b>											
Government/Public Body Grants	21,508	36,629	2,620	399	(6,000)	(2,981)	33,648	2,487	2,157	2,427	40,719
Developers Contributions (S106)	5,010	10,874	(8,797)	582	6,000	(2,215)	8,659	9,143	501	-	18,303
Leaseholder Contributions (Housing)	4,093	9,786	-	-	-	-	9,786	2,849	2,849	2,849	18,333
<b>Sub-total - Specific Financing</b>	<b>30,611</b>	<b>57,289</b>	<b>(6,177)</b>	<b>981</b>	<b>-</b>	<b>(5,196)</b>	<b>52,093</b>	<b>14,479</b>	<b>5,507</b>	<b>5,276</b>	<b>77,355</b>
<b>Mainstream Financing (Internal):</b>											
Capital Receipts - General Fund	11,280	18,771	(737)	61	-	(676)	18,095	6,287	5,480	5,480	35,342
Capital Receipts - Housing*	28,443	28,871	633	1,594	-	2,227	31,098	7,942	16,581	15,470	71,091
Revenue funding - General Fund	544	1,685	-	(23)	-	(23)	1,662	544	544	544	3,294
Revenue Funding - HRA	3,514	3,514	(466)	-	-	(466)	3,048	3,702	353	1,562	8,665
Major Repairs Reserve (MRR) [Housing]	17,377	17,487	622	-	-	622	18,109	17,820	17,404	19,794	73,127
Earmarked Reserves (Revenue)	-	10	-	2,080	-	2,080	2,090	-	-	-	2,090
<b>Sub-total - Mainstream Funding</b>	<b>61,158</b>	<b>70,338</b>	<b>52</b>	<b>3,712</b>	<b>-</b>	<b>3,764</b>	<b>74,102</b>	<b>36,295</b>	<b>40,362</b>	<b>42,850</b>	<b>193,609</b>
<b>Internal Borrowing</b>	<b>20,849</b>	<b>19,808</b>	<b>(9,468)</b>	<b>-</b>	<b>-</b>	<b>(9,468)</b>	<b>10,340</b>	<b>16,293</b>	<b>250</b>	<b>11,868</b>	<b>38,751</b>
<b>Funding to be identified/agreed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,750</b>	<b>-</b>	<b>5,750</b>	<b>5,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,750</b>
<b>Total Capital Financing</b>	<b>112,618</b>	<b>147,435</b>	<b>(15,593)</b>	<b>10,443</b>	<b>-</b>	<b>(5,150)</b>	<b>142,285</b>	<b>67,067</b>	<b>46,119</b>	<b>59,994</b>	<b>315,465</b>

\*Capital Receipts include use of brought forward Housing receipts

4.2. A net variation to the 2016/17 programme of **£(5.2)m** is proposed, decreasing total budgeted expenditure from £147.4m to £142.2m. Of the proposed net variation, £(15.6)m relates to slippages to future financial years. The remaining £10.4m variation relates primarily to growth in the programme where external funding sources have now been confirmed or associated forecast funding has increased. A detailed analysis of proposed variations for approval is included at Appendix 2.

4.3. The capital programme presented here is based on approved projects and known funding allocations. The 2016/17 budget will be further updated throughout the year. The indicative future years' analysis (2017+) will be updated as pipeline schemes are confirmed or otherwise and these future years remain subject to approval in future capital programmes. Departments such as Children's Services, whose capital programme has traditionally depended on external specific grants, will be updated as and when future grants are confirmed.

## 5. CAPITAL FINANCE REQUIREMENT (CAPITAL DEBT)

5.1. The Capital Finance Requirement (CFR) measures the Council's long-term indebtedness. The current forecast for the General Fund Headline<sup>1</sup> CFR is shown in Table 2 below. The current HRA CFR forecast is shown in Table 3. The CFR is explained in more detail in Appendix 4.

**Table 2 – General Fund CFR at Q1 2016-17 (including future years forecast)**

<b>General Fund CFR Forecast</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Closing CFR (Including DSG-funded Schools Windows borrowing)	56.85	62.98	64.08	64.88
Closing CFR (Excluding DSG-funded Schools Windows borrowing)	46.51	43.68	45.30	46.86

**Table 3 – HRA CFR at Q1 2016-17 (including future years forecast)**

<b>HRA CFR Forecast</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Closing Forecast HRA CFR (excluding deferred costs of disposal)	204.36	211.28	211.28	223.15
Deferred Costs of Disposal	6.08	7.44	11.95	14.72
Closing Forecast HRA CFR (including deferred costs of disposal)	210.44	218.72	223.23	237.87

5.2. The General Fund CFR forecast is heavily dependent on the timing and certainty of capital receipts forecasts. Where receipts are not available to fund mainstream expenditure, and no other sources of funding can be found, internal borrowing will increase. This will increase the CFR. The General Fund CFR is also sensitive to any transfer of assets between the HRA and the General Fund (a process known as 'appropriation'). Where assets transfer from the HRA to the General Fund, the GF CFR increases by the market value of assets being transferred.

## 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. The mainstream programme is summarised in Table 4 overleaf.

6.2. Forecast General Fund Capital receipts for 2016-17 are currently £13.1m. A summary of expected receipts and their application to capital funding/debt reduction is included in Appendix 3.

6.3. As at the end of the first quarter of 2016/17, £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. A summary of the deferred costs is included in Appendix 3.

---

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

**Table 4 – General Fund Mainstream Programme 2016-20 with proposed 2016/17 Q1 Variations**

	2016/17 Revised Budget £'000	Variations (Q1) £'000	2016/17 Budget (Q1) £'000	Indicative Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000	Total Budget (All years) £'000
<b>Approved Expenditure</b>							
<b>Ad Hoc Schemes:</b>							
Schools Organisation Strategy [CHS] (mainstream element)*	3,160	(737)	2,423	807	-	-	3,230
Other Capital Schemes [ENV]	1,048	2,080	3,128	-	-	-	3,128
Camwath Road [ENV]	3,070		3,070	-	-	-	3,070
Fulham Cemetery (Porta Cabins) [ENV]	85		85	-	-	-	85
<b>Rolling Programmes:</b>							
Disabled Facilities Grant [ASC]	533		533	450	450	450	1,883
Planned Maintenance/DDA Programme [ENV]**	8,708	61	8,769	2,500	2,500	2,500	16,269
Footways and Carriageways [ENV]	2,459		2,459	2,030	2,030	2,030	8,549
Controlled Parking Zones [ENV]	333		333	275	275	275	1,158
Column Replacement [ENV]	269	(23)	246	269	269	269	1,053
Parks Programme [ENV]	986		986	500	500	500	2,486
<b>Total Mainstream Programmes</b>	<b>20,651</b>	<b>1,381</b>	<b>22,032</b>	<b>6,831</b>	<b>6,024</b>	<b>6,024</b>	<b>40,911</b>
<b>Financing</b>							
Capital Receipts	12,158	3,765	15,923	7,500	3,840	3,840	31,103
General Fund Revenue Account	1,680	2,057	3,737	544	544	544	5,369
Increase/(Decrease) in Internal Borrowing	-	2,372	2,372	(1,213)	1,640	1,640	4,439
<b>Total Financing</b>	<b>13,838</b>	<b>8,194</b>	<b>22,032</b>	<b>6,831</b>	<b>6,024</b>	<b>6,024</b>	<b>40,911</b>

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

\*\*Includes Town Hall Refurbishment Programme

## 7. HOUSING CAPITAL PROGRAMME

7.1. The expenditure and resource analysis for 2016-17 of the Housing Programme is summarised in Table 5 below:

**Table 5 – Housing Capital Programme 2016-20 with proposed 2016/17 Q1 Variations**

	2016/17 Revised Budget £'000	Total Variations (Q1) £'000	2016/17 Budget (Q1) £'000	Indicative Budget 2017/18 £'000	Indicative Budget 2018/19 £'000	Indicative Budget 2019/20 £'000
<b>Approved Expenditure</b>						
Decent Neighbourhood Schemes	27,011	(10,431)	16,580	14,776	17,747	28,019
HRA Debt Repayment	-	1,563	1,563	-	-	-
HRA Schemes	49,304	(334)	48,970	29,900	24,040	26,635
<b>Total Housing Programme - Approved Expenditure</b>	<b>76,315</b>	<b>(9,202)</b>	<b>67,113</b>	<b>44,676</b>	<b>41,787</b>	<b>54,654</b>
Adjustment for deferred costs	-	(813)	(813)	(1,398)	(4,601)	(2,841)
<b>Total Expenditure after deferred costs</b>	<b>76,315</b>	<b>(10,015)</b>	<b>66,300</b>	<b>43,278</b>	<b>37,186</b>	<b>51,813</b>
<b>Available and Approved Resource</b>						
Capital Receipts - Unrestricted	26,086	3,138	29,224	6,323	-	11,010
Capital Receipts - RTB (141)	2,275	(910)	1,365	1,619	-	-
Capital Receipts - Sale of new build homes	510	-	510	-	-	-
Earls Court Receipts recognisable	-	-	-	-	16,581	4,460
Housing Revenue Account (revenue funding)	3,514	(466)	3,048	3,702	353	1,562
Major Repairs Reserve (MRR)	17,487	622	18,109	17,820	17,404	19,794
Contributions Developers (S106)	5,307	(2,130)	3,177	3,777	-	-
Repayment of NHHT loan	800	(800)	-	270	-	270
Contributions from leaseholders	9,786	-	9,786	2,849	2,849	2,849
<b>Internal Borrowing</b>	<b>10,550</b>	<b>(9,468)</b>	<b>1,082</b>	<b>6,918</b>	<b>-</b>	<b>11,868</b>
<b>Total Funding</b>	<b>76,315</b>	<b>(10,015)</b>	<b>66,300</b>	<b>43,278</b>	<b>37,186</b>	<b>51,813</b>

7.2. 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.

## **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 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 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 ext. 2587

### **13. PROCUREMENT AND IT STRATEGY 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 verified/completed by: Alan Parry, Interim Head of Procurement (Job-Share) - 020 7361 2581.

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

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Capital Programme 2016-20 (Published Feb 2016)	Christopher Harris tel. 6440	Finance Dept., Room10, Hammersmith Town Hall

#### **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 (Revised budget to Q1)							2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)	
	2016/17 Original Budget	2016/17 Revised Budget	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2016/17 (Q1)					£'000
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>												
Lyric Theatre Development	-	2,145	-	-	-	-	2,145	-	-	-	2,145	
Schools Organisational Strategy	20,824	33,496	(3,984)	3,616	-	(368)	33,128	6,233	501	-	39,862	
Schools Window Replacement Project	9,375	9,258	-	-	-	-	9,258	9,375	250	-	18,883	
Other Capital Schemes	-	47	-	988	-	988	1,035	-	-	-	1,035	
<b>Total Expenditure</b>	<b>30,199</b>	<b>44,946</b>	<b>(3,984)</b>	<b>4,604</b>	<b>-</b>	<b>620</b>	<b>45,566</b>	<b>15,608</b>	<b>751</b>	<b>-</b>	<b>61,925</b>	
<b>Capital Financing Summary</b>												
<b>Specific/External or Other Financing</b>												
Capital Grants from Central Government	18,094	30,383	2,620	(1,146)	(6,000)	(4,526)	25,857	60	-	-	25,917	
Grants and Contributions from Private Developers (includes S106)	-	-	(5,867)	-	6,000	133	133	5,366	501	-	6,000	
Capital Grants/Contributions from Non-departmental public bodies	-	2,145	-	-	-	-	2,145	-	-	-	2,145	
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total - Specific or Other Financing</b>	<b>18,094</b>	<b>32,528</b>	<b>(3,247)</b>	<b>(1,146)</b>	<b>-</b>	<b>(4,393)</b>	<b>28,135</b>	<b>5,426</b>	<b>501</b>	<b>-</b>	<b>34,062</b>	
<b>Mainstream Financing (Internal Council Resource)</b>												
Capital Receipts	2,730	2,930	(737)	-	-	(737)	2,193	807	-	-	3,000	
General Fund Revenue Account (revenue funding)	-	230	-	-	-	-	230	-	-	-	230	
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total - Mainstream Funding</b>	<b>2,730</b>	<b>3,160</b>	<b>(737)</b>	<b>-</b>	<b>-</b>	<b>(737)</b>	<b>2,423</b>	<b>807</b>	<b>-</b>	<b>-</b>	<b>3,230</b>	
<b>Borrowing</b>	<b>9,375</b>	<b>9,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,258</b>	<b>9,375</b>	<b>250</b>	<b>-</b>	<b>18,883</b>	
<b>Funding to be identified/agreed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,750</b>	<b>-</b>	<b>5,750</b>	<b>5,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,750</b>	
<b>Total Capital Financing</b>	<b>30,199</b>	<b>44,946</b>	<b>(3,984)</b>	<b>4,604</b>	<b>-</b>	<b>620</b>	<b>45,566</b>	<b>15,608</b>	<b>751</b>	<b>-</b>	<b>61,925</b>	

## Adult Social Care Services

### Scheme Expenditure Summary

Extra Care New Build project (Adults' Personal Social Services Grant)
Community Capacity Grant
Parkview Project
Transforming Care (Winterbourne Grant)
Autism Capital Grant
Social Care Capital Grant
Disabled Facilities Grant

#### Total Expenditure

### Capital Financing Summary

#### Specific/External or Other Financing

Capital Grants from Central Government
Grants and Contributions from Private Developers (includes S106)
Capital Grants/Contributions from Non-departmental public bodies
Capital Grants and Contributions from GLA Bodies
<b>Sub-total - Specific or Other Financing</b>

#### Mainstream Financing (Internal Council Resource)

Capital Receipts
General Fund Revenue Account (revenue funding)
Use of Reserves
<b>Sub-total - Mainstream Funding</b>

#### Borrowing

#### Total Capital Financing

Current Year Programme							Indicative Future Years Analysis			
2016/17 Original Budget	2016/17 Revised Budget	Analysis of Movements (Revised budget to Q1)				Revised Budget 2016/17 (Q1)	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
		Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
957	957	-	-	-	-	957	-	-	-	957
-	244	-	-	-	-	244	-	-	-	244
-	-	-	-	-	-	-	-	-	-	-
300	300	-	-	-	-	300	-	-	-	300
-	-	-	-	-	-	-	-	-	-	-
-	511	-	511	-	511	1,022	-	-	-	1,022
450	533	-	508	-	508	1,041	450	450	450	2,391
<b>1,707</b>	<b>2,545</b>	<b>-</b>	<b>1,019</b>	<b>-</b>	<b>1,019</b>	<b>3,564</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>4,914</b>
957	1,712	-	1,019	-	1,019	2,731	-	-	-	2,731
-	-	-	-	-	-	-	-	-	-	-
300	300	-	-	-	-	300	-	-	-	300
-	-	-	-	-	-	-	-	-	-	-
<b>1,257</b>	<b>2,012</b>	<b>-</b>	<b>1,019</b>	<b>-</b>	<b>1,019</b>	<b>3,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,031</b>
450	533	-	-	-	-	533	450	450	450	1,883
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>450</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>1,883</b>
-	-	-	-	-	-	-	-	-	-	-
<b>1,707</b>	<b>2,545</b>	<b>-</b>	<b>1,019</b>	<b>-</b>	<b>1,019</b>	<b>3,564</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>4,914</b>



## Environmental Services

### Current Year Programme

### Indicative Future Years Analysis

#### Scheme Expenditure Summary

	Analysis of Movements (Revised budget to Q1)						Indicative Future Years Analysis				
	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2016/17 (Q1) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000
Planned Maintenance/DDA Programme	2,500	8,708	-	61	-	61	8,769	2,500	2,500	2,500	16,269
Footways and Carriageways	2,030	2,395	-	-	-	-	2,395	2,030	2,030	2,030	8,485
Transport For London Schemes	2,157	2,479	-	526	-	526	3,005	2,157	2,157	2,157	9,476
Controlled Parking Zones	275	332	-	-	-	-	332	275	275	275	1,157
Column Replacement	269	328	-	(23)	-	(23)	305	269	269	269	1,112
Carnwath Road	3,070	3,070	-	-	-	-	3,070	-	-	-	3,070
Fulham Cemetery (Porta Cabin Facility)	-	85	-	-	-	-	85	-	-	-	85
Hammersmith Bridge Strengthening	-	170	-	-	-	-	170	-	-	-	170
Other Capital Schemes	-	3,155	-	2,234	-	2,234	5,389	-	-	-	5,389
Parks Expenditure	500	1,426	-	-	-	-	1,426	500	500	500	2,926
Shepherds Bush Common Improvements	510	586	-	-	-	-	586	-	-	-	586
Recycling	-	19	-	-	-	-	19	-	-	-	19
CCTV	-	15	-	428	-	428	443	-	-	-	443
Linford Christie Stadium Refurbishment	-	140	-	-	-	-	140	-	-	-	140
<b>Total Expenditure</b>	<b>11,311</b>	<b>22,908</b>	<b>-</b>	<b>3,226</b>	<b>-</b>	<b>3,226</b>	<b>26,134</b>	<b>7,731</b>	<b>7,731</b>	<b>7,731</b>	<b>49,327</b>

#### Capital Financing Summary

Analysis of Movements (Revised budget to Q1)											
Indicative Future Years Analysis											
	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2016/17 (Q1) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000
<b>Specific/External or Other Financing</b>											
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	510	4,046	-	582	-	582	4,628	-	-	-	4,628
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	2,157	2,089	-	526	-	526	2,615	2,157	2,157	2,157	9,086
<b>Sub-total - Specific or Other Financing</b>	<b>2,667</b>	<b>6,135</b>	<b>-</b>	<b>1,108</b>	<b>-</b>	<b>1,108</b>	<b>7,243</b>	<b>2,157</b>	<b>2,157</b>	<b>2,157</b>	<b>13,714</b>
<b>Mainstream Financing (Internal Council Resource)</b>											
Capital Receipts	8,100	15,308	-	61	-	61	15,369	5,030	5,030	5,030	30,459
General Fund Revenue Account (revenue funding)	544	1,455	-	(23)	-	(23)	1,432	544	544	544	3,064
Use of Reserves	-	10	-	2,080	-	2,080	2,090	-	-	-	2,090
<b>Sub-total - Mainstream Funding</b>	<b>8,644</b>	<b>16,773</b>	<b>-</b>	<b>2,118</b>	<b>-</b>	<b>2,118</b>	<b>18,891</b>	<b>5,574</b>	<b>5,574</b>	<b>5,574</b>	<b>35,613</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Financing</b>	<b>11,311</b>	<b>22,908</b>	<b>-</b>	<b>3,226</b>	<b>-</b>	<b>3,226</b>	<b>26,134</b>	<b>7,731</b>	<b>7,731</b>	<b>7,731</b>	<b>49,327</b>

## Finance & Corporate Governance

### Scheme Expenditure Summary

Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements

#### Total Expenditure

### Capital Financing Summary

#### Specific/External or Other Financing

Capital Grants from Central Government

Grants and Contributions from Private Developers (includes S106)

Capital Grants/Contributions from Non-departmental public bodies

Capital Grants and Contributions from GLA Bodies

#### Sub-total - Specific or Other Financing

#### Mainstream Financing (Internal Council Resource)

Capital Receipts

General Fund Revenue Account (revenue funding)

Use of Reserves

#### Sub-total - Mainstream Funding

#### Borrowing

#### Total Capital Financing

### Current Year Programme

### Indicative Future Years Analysis

Analysis of Movements (Revised budget to Q1)										
2016/17 Original Budget	2016/17 Revised Budget	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2016/17 (Q1)	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	436	-	-	-	-	436	-	-	-	436
-	436	-	-	-	-	436	-	-	-	436
-	-	-	-	-	-	-	-	-	-	-
-	436	-	-	-	-	436	-	-	-	436
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	436	-	-	-	-	436	-	-	-	436

## Libraries Services

### Scheme Expenditure Summary

Hammersmith Library Refurbishment Project

### Total Expenditure

### Capital Financing Summary

#### Specific/External or Other Financing

Capital Grants from Central Government

Grants and Contributions from Private Developers (includes S106)

Capital Grants/Contributions from Non-departmental public bodies

Capital Grants and Contributions from GLA Bodies

#### Sub-total - Specific or Other Financing

#### Mainstream Financing (Internal Council Resource)

Capital Receipts

General Fund Revenue Account (revenue funding)

Use of Reserves

#### Sub-total - Mainstream Funding

#### Borrowing

### Total Capital Financing

### Current Year Programme

### Indicative Future Years Analysis

Analysis of Movements (Revised budget to Q1)										
2016/17 Original Budget	2016/17 Revised Budget	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2016/17 (Q1)	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
250	285	-	-	-	-	285	-	-	-	285
<b>250</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>
-	-	-	-	-	-	-	-	-	-	-
250	285	-	-	-	-	285	-	-	-	285
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>250</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
-	-	-	-	-	-	-	-	-	-	-
<b>250</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>

## Housing Capital Programme

### Current Year Programme

### Indicative Future Years Analysis

	Analysis of Movements (Revised budget to Q1)						Revised Budget 2016/17 (Q1) £'000	Indicative Future Years Analysis			
	2016/17 Original Budget £'000	2016/17 Revised Budget £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000		2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000
<b>Scheme Expenditure Summary</b>											
<i>HRA Schemes:</i>											
Supply Initiatives (Major Voids)	939	1,361	(381)	61	559	239	1,600	500	-	-	2,100
Energy Schemes	3,961	3,481	255	259	-	514	3,995	2,570	2,175	2,200	10,940
Lift Schemes	6,373	8,786	(3,100)	417	(70)	(2,753)	6,033	5,230	5,070	1,100	17,433
Internal Modernisation	1,408	639	269	92	-	361	1,000	250	250	1,500	3,000
Major Refurbishments	16,565	16,641	3,129	1,083	2,109	6,321	22,962	13,455	9,393	13,777	59,587
Planned Maintenance Framework	9,071	6,721	-	593	(1,198)	(605)	6,116	250	-	-	6,366
Minor Programmes	8,346	10,488	(189)	546	(1,762)	(1,405)	9,083	6,695	6,202	7,108	29,088
ASC/ELRS Managed	1,173	1,187	-	77	45	122	1,309	950	950	950	4,159
HRA Debt Repayment	-	-	-	1,563	-	1,563	1,563	-	-	-	1,563
Rephasing & Reprogramming	-	-	-	(3,446)	317	(3,129)	(3,129)	-	-	-	(3,129)
<b>Subtotal HRA</b>	<b>47,836</b>	<b>49,304</b>	<b>(17)</b>	<b>1,245</b>	<b>-</b>	<b>1,228</b>	<b>50,532</b>	<b>29,900</b>	<b>24,040</b>	<b>26,635</b>	<b>131,107</b>
<i>Decent Neighbourhood Schemes:</i>											
Earls Court Buy Back Costs	10,506	12,077	(4,210)	-	615	(3,595)	8,482	7,005	13,147	25,178	53,812
Earls Court Project Team Costs	4,636	5,430	(4,002)	-	(615)	(4,617)	813	1,398	4,601	2,841	9,653
Housing Development Project	4,928	7,582	(2,401)	-	-	(2,401)	5,181	5,906	-	-	11,087
Other DNP projects	1,245	1,922	(166)	349	-	183	2,105	467	-	-	2,572
<b>Subtotal Decent Neighbourhoods</b>	<b>21,315</b>	<b>27,011</b>	<b>(10,779)</b>	<b>349</b>	<b>-</b>	<b>(10,430)</b>	<b>16,581</b>	<b>14,776</b>	<b>17,748</b>	<b>28,019</b>	<b>77,124</b>
<b>Total Expenditure</b>	<b>69,151</b>	<b>76,315</b>	<b>(10,796)</b>	<b>1,594</b>	<b>-</b>	<b>(9,202)</b>	<b>67,113</b>	<b>44,676</b>	<b>41,788</b>	<b>54,654</b>	<b>208,231</b>
<b>Adjustment for deferred costs</b>	<b>-</b>	<b>-</b>	<b>(813)</b>	<b>-</b>	<b>-</b>	<b>(813)</b>	<b>(813)</b>	<b>(1,398)</b>	<b>(4,601)</b>	<b>(2,841)</b>	<b>(9,653)</b>
<b>Total Net Expenditure</b>	<b>69,151</b>	<b>76,315</b>	<b>(11,609)</b>	<b>1,594</b>	<b>-</b>	<b>(10,015)</b>	<b>66,300</b>	<b>43,278</b>	<b>37,187</b>	<b>51,813</b>	<b>198,578</b>
<b>Capital Financing Summary</b>											
<i>Specific/External or Other Financing</i>											
Contributions from leaseholders	4,093	9,786	-	-	-	-	9,786	2,849	2,849	2,849	18,333
Grants and Contributions from Private Developers (includes S106)	4,250	6,107	(2,930)	-	-	(2,930)	3,177	3,777	-	-	6,954
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	270	-	270	540
<b>Sub-total - Specific or Other Financing</b>	<b>8,343</b>	<b>15,893</b>	<b>(2,930)</b>	<b>-</b>	<b>-</b>	<b>(2,930)</b>	<b>12,963</b>	<b>6,896</b>	<b>2,849</b>	<b>3,119</b>	<b>25,827</b>
<i>Mainstream Financing (Internal Council Resource)</i>											
Capital Receipts	28,443	28,871	633	1,594	-	2,227	31,098	7,942	16,581	15,470	71,091
Housing Revenue Account (revenue funding)	3,514	3,514	(466)	-	-	466	3,048	3,702	353	1,562	8,665
Major Repairs Reserve (MRR) / Major Repairs	17,377	17,487	622	-	-	622	18,109	17,820	17,404	19,794	73,127
<b>Sub-total - Mainstream Funding</b>	<b>49,334</b>	<b>49,872</b>	<b>789</b>	<b>1,594</b>	<b>-</b>	<b>2,383</b>	<b>52,255</b>	<b>29,464</b>	<b>34,338</b>	<b>36,826</b>	<b>152,883</b>
<b>Borrowing (Internal Borrowing)</b>	<b>11,474</b>	<b>10,550</b>	<b>(9,468)</b>	<b>-</b>	<b>-</b>	<b>(9,468)</b>	<b>1,082</b>	<b>6,918</b>	<b>-</b>	<b>11,868</b>	<b>19,868</b>
<b>Total Capital Financing</b>	<b>69,151</b>	<b>76,315</b>	<b>(11,609)</b>	<b>1,594</b>	<b>-</b>	<b>(10,015)</b>	<b>66,300</b>	<b>43,278</b>	<b>37,187</b>	<b>51,813</b>	<b>198,578</b>

## Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
<b>Children's Services (CHS)</b>	
School's Organisation Strategy – Slippage to 2017/18 in respect of the following projects: Bridge Academy £3,247 Holy Cross School- £737k	(3,984)
School's Organisation Strategy-additional budget of £5.75m for Queens Manor Resource Centre (approved by Cabinet on 04/07/16) funded by a mixture of sources including Section 106, capital receipts and internal borrowing. The final arrangement will be confirmed by the Strategic Director of Finance. The funding and detailed budget profile will be confirmed in future monitoring. £(2.134)m budget reduction as recognition of allocations devolved directly to schools	3,616
Other Capital Schemes – additional budget of £988k consists of £980k for Targeted Childcare For Two Year Olds (approved by Cabinet on 04/07/16 and funded by DFG grant) and £8k adjustment for Short Breaks Grant (to reflect additional grant available)	988
<b>Total CHS variations</b>	<b>620</b>
<b>Adult Social Care (ASC)</b>	
Social Care Capital Grant –additional funding received in 2016/17	508
Disabled Facilities Grant- additional funding received in 2016/17	511
<b>Total ASC variations</b>	<b>1,019</b>
<b>Environmental Services (ENV)</b>	
TFL funded schemes -additional budget of £526k to reflect an increase in external funding (TFL grant)	526
Planned Maintenance/DDA Programme-additional £61k of mainstream resource as a result of 15/16 carry forward adjustment	61
Column Replacement-forecast reduction in budget	(23)
Other Capital Schemes- additional budget of £2.08m for Parking Pay and Display Project (as approved by Cabinet on 12/10/15) and £228k of additional S106 funding for various capital projects	2,234
Public CCTV-additional budget to reflect increase in S106 funding for 2016/17	428
<b>Total ENV variations</b>	<b>3,226</b>
<b>Housing Capital Programme</b>	
HRA schemes- net slippage from/to future years as a result of budget re-profiling	(335)
HRA Debt Repayment	1,563
Earls Court Buy Back Costs-slippage due to the anticipated number of buybacks of leaseholder properties for this year being reduced.	(3,595)
Earls Court project Team Costs –slippage	(4,617)
Housing Development Project- slippages result of delay in start of the existing housing development schemes due to the procurement issues	(2,401)
Other DNP projects- £349k addition to bring the budget in line with the original cabinet approved budget of £3.469m for Fulham Court HEIP. £166k slippage due to shop front investment being delayed.	183
Adjustment for deferred costs –recognition of costs related to Earls Court project	(813)
<b>Total Housing variations</b>	<b>(10,015)</b>
<b>Grand Total 2015-16 Variations</b>	<b>(5,150)</b>

**Appendix 3 – General Fund – Summary of Forecast Capital Receipts and mainstream resource tracker**

Year/Property	Previous Forecast £'000s	Movement/ Slippage £'000s	Forecast Outturn at Quarter 1 £'000s	Deposit received to date £'000s	Full sales proceeds @ Q1 £'000s	Deferred Costs of Disposal reserved £'000s
<b>2016/17</b>						
<b>Total 2016/17</b>	<b>12,158</b>	<b>922</b>	<b>13,079</b>	<b>250</b>	<b>500</b>	<b>943</b>
<b>2017/18</b>						
<b>Total 2017/18</b>	<b>11,668</b>	<b>(2,685)</b>	<b>8,983</b>	<b>-</b>	<b>-</b>	<b>55</b>
<b>2018/19</b>						
<b>Total 2018/19</b>	<b>3,840</b>	<b>-</b>	<b>3,840</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019/20</b>						
<b>Total All Years</b>	<b>31,506</b>	<b>(1,764)</b>	<b>29,741</b>	<b>250</b>	<b>500</b>	<b>998</b>

<b>Mainstream Forecast Resource Tracker</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Capital Receipts B/fwd	2,844	-	-	-
Capital Receipts generated in year	13,079	7,500	3,840	3,840
Capital Receipts used in year - Capital Expenditure	(15,923)	(6,287)	(3,840)	(3,840)
Capital Receipts used in year - repayment of internal borrowing	-	(1,213)	-	-
<b>Capital Receipts C/fwd</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **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.

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 capital 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' and the CFR will increase. This scenario is known as 'internal borrowing'.

The CFR can therefore be thought of as the total of external borrowing (loans) and internal borrowing.

An alternative way of considering the CFR is that it represents the amount the Council would need to borrow if all its other liabilities were called-in. Hence it shows the 'underlying need to borrow'.

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 several options for selecting MRP, although traditionally this has been 4% of the CFR.