


<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>5<sup>th</sup> December 2016</b></p>	
<p><b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2016/17 (SECOND QUARTER)</b></p>	
<p><b>Report of the Cabinet Member for Financee – 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>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 second quarter, 2016/17. A net decrease of **£18.3m** to the 2016/17 capital budget (as approved at the end of the first quarter, 2016/17) is proposed. This decrease is primarily associated with slippages to future years.

## 2. RECOMMENDATIONS

- 2.1. To approve proposed technical budget variations to the capital programme totalling **£18.3m** (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 2016-17 –Q2 VARIATIONS

4.1. The Council's capital programme as at the end of the second 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 Q2 Variations**

	Proposed Variations: Q1 Budget to Q2					Revised Budget 2016/17 (Q2) £'000	Indicative Future Years Analysis			
	2016/17 Revised Budget (Q1) £'000	Slippages from/(to) future years £'000	Addition/ (Reduction) £'000	Transfers £'000	Total Variations (Q2) £'000		2017/18 £'000	2018/19 £'000	2019/20 £'000	Total Budget (All years) £'000
<b>CAPITAL EXPENDITURE</b>										
Children's Services	45,566	(13,251)	(1,008)	-	(14,259)	31,307	23,754	7,334	-	62,395
Adult Social Care	3,564	(1,052)	-	-	(1,052)	2,512	565	450	1,387	4,914
Environmental Services	26,134	(3,735)	4,948	-	1,213	27,347	11,366	7,831	7,731	54,275
Finance & Corporate Services	436	-	-	-	-	436	-	-	-	436
Libraries	285	-	-	-	-	285	-	-	-	285
<b>Sub-total (Non-Housing)</b>	<b>75,985</b>	<b>(18,038)</b>	<b>3,940</b>	<b>-</b>	<b>(14,098)</b>	<b>61,887</b>	<b>35,685</b>	<b>15,615</b>	<b>9,118</b>	<b>122,305</b>
HRA Programme	50,532	(4,237)	3,929	-	(308)	50,224	33,292	24,885	24,508	132,909
Decent Neighbourhoods Programme	15,768	(4,067)	146	-	(3,921)	11,847	16,836	13,234	25,181	67,098
<b>Sub-total (Housing)</b>	<b>66,300</b>	<b>(8,304)</b>	<b>4,075</b>	<b>-</b>	<b>(4,229)</b>	<b>62,071</b>	<b>50,128</b>	<b>38,119</b>	<b>49,689</b>	<b>200,007</b>
<b>Total Expenditure</b>	<b>142,285</b>	<b>(26,342)</b>	<b>8,015</b>	<b>-</b>	<b>(18,327)</b>	<b>123,958</b>	<b>85,813</b>	<b>53,734</b>	<b>58,807</b>	<b>322,312</b>
<b>CAPITAL FINANCING</b>										
<b>Specific/External Financing:</b>										
Government/Public Body Grants	33,648	(4,482)	(870)	200	(5,152)	28,496	7,510	2,157	3,364	41,527
Developers Contributions (S106)	8,659	(2,613)	4,460	(619)	1,228	9,887	11,354	559	-	21,799
Leaseholder Contributions (Housing)	9,786	-	-	-	-	9,786	2,849	2,849	2,849	18,333
<b>Sub-total - Specific Financing</b>	<b>52,093</b>	<b>(7,095)</b>	<b>3,590</b>	<b>(419)</b>	<b>(3,924)</b>	<b>48,169</b>	<b>21,713</b>	<b>5,565</b>	<b>6,213</b>	<b>81,659</b>
<b>Mainstream Financing (Internal):</b>										
Capital Receipts - General Fund	18,095	(3,735)	-	(4,037)	(7,772)	10,323	9,922	3,840	3,840	27,925
Capital Receipts - Housing*	31,098	(4,904)	4,075	-	(829)	30,269	7,885	17,456	14,619	70,229
Revenue funding - General Fund	1,662	-	-	2,333	2,333	3,995	544	544	544	5,627
Revenue Funding - HRA	3,048	-	-	-	-	3,048	3,702	353	1,562	8,665
Major Repairs Reserve (MRR) [Housing]	18,109	-	-	-	-	18,109	17,820	17,404	19,794	73,127
Earmarked Reserves (Revenue)	2,090	-	350	(1,890)	(1,540)	550	-	-	-	550
<b>Sub-total - Mainstream Funding</b>	<b>74,102</b>	<b>(8,639)</b>	<b>4,425</b>	<b>(3,594)</b>	<b>(7,808)</b>	<b>66,294</b>	<b>39,873</b>	<b>39,597</b>	<b>40,359</b>	<b>186,123</b>
<b>Internal Borrowing</b>	<b>10,340</b>	<b>(5,358)</b>	<b>-</b>	<b>4,013</b>	<b>(1,345)</b>	<b>8,995</b>	<b>18,977</b>	<b>8,573</b>	<b>12,235</b>	<b>48,779</b>
<b>Funding to be identified/agreed</b>	<b>5,750</b>	<b>(5,250)</b>	<b>-</b>	<b>-</b>	<b>(5,250)</b>	<b>500</b>	<b>5,250</b>	<b>-</b>	<b>-</b>	<b>5,750</b>
<b>Total Capital Financing</b>	<b>142,285</b>	<b>(26,342)</b>	<b>8,015</b>	<b>-</b>	<b>(18,327)</b>	<b>123,958</b>	<b>85,813</b>	<b>53,734</b>	<b>58,807</b>	<b>322,312</b>

\*Capital Receipts include use of brought forward Housing receipts

4.2. A net reduction to the 2016/17 programme of **£(18.3)m** is proposed, decreasing total budgeted expenditure from £142.2m to £123.9m. Of the proposed net variation, there is a reduction of £(26.3)m relating to slippages to future financial years. This is netted against an £8.0m increase that 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 Q2 2016-17 (including future years forecast)**

General Fund CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Closing CFR (Including DSG-funded Schools Windows borrowing)	54.05	55.55	63.63	64.45
Closing CFR (Excluding DSG-funded Schools Windows borrowing)	48.15	42.66	44.42	46.01

**Table 3 – HRA CFR at Q2 2016-17 (including future years forecast)**

HRA CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	203.44	215.19	215.19	225.78
Deferred Costs of Disposal	5.92	7.33	11.84	14.63
Closing Forecast HRA CFR (including deferred costs of disposal)	209.36	222.52	227.02	240.41

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 £7.5m. 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 second 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.

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<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 Q2 Variations**

	2016/17 Revised Budget	Variations (Q2)	2016/17 Budget (Q2)	Indicative Budget 2017/18	Indicative Budget 2018/19	Indicative Budget 2019/20	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>							
<b>Ad Hoc Schemes:</b>							
Schools Organisation Strategy [CHS] (mainstream element)	2,423	-	2,423	807	-	-	3,230
Hammersmith Town Hall Refurbishment (Mainstream Element/CPMP) [ENV]	-	2,850	2,850	3,575	1,325	1,000	8,750
Other Capital Schemes [ENV]	3,128	229	3,357	-	-	-	3,357
Carnwath Road [ENV]	3,070	(1,200)	1,870	1,200	-	-	3,070
Fulham Cemetery (Porta Cabins) [ENV]	85	(85)	-	85	-	-	85
<b>Rolling Programmes:</b>							
Disabled Facilities Grant [ASC]	533	-	533	450	450	450	1,883
Planned Maintenance/DDA Programme [ENV]	8,769	(5,300)	3,469	1,275	1,275	1,500	7,519
Footways and Carriageways [ENV]	2,459	(64)	2,395	2,030	2,030	2,030	8,485
Controlled Parking Zones [ENV]	333		333	275	275	275	1,158
Column Replacement [ENV]	246	59	305	269	269	269	1,112
Parks Programme [ENV]	986	360	1,346	500	500	500	2,846
<b>Total Mainstream Programmes</b>	<b>22,032</b>	<b>(3,151)</b>	<b>18,881</b>	<b>10,466</b>	<b>6,124</b>	<b>6,024</b>	<b>41,495</b>
<b>Financing</b>							
Capital Receipts	15,923	(5,600)	10,323	15,218	3,840	3,840	33,222
General Fund Revenue Account	3,737	808	4,545	544	544	544	6,177
Increase/(Decrease) in Internal Borrowing	2,372	1,641	4,013	(5,296)	1,740	1,640	2,097
<b>Total Financing</b>	<b>22,032</b>	<b>(3,151)</b>	<b>18,881</b>	<b>10,466</b>	<b>6,124</b>	<b>6,024</b>	<b>41,495</b>

## 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 Q2 Variations**

	2016/17 Revised Budget (Q1)	Total Variations (Q2)	2016/17 Budget (Q2)	Indicative Budget 2017/18	Indicative Budget 2018/19	Indicative Budget 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>						
Decent Neighbourhood Schemes	16,580	(4,089)	12,491	18,245	17,846	28,035
HRA Debt Repayment	1,563		1,563	-	-	-
HRA Schemes	48,970	(308)	48,662	33,292	24,885	24,508
<b>Total Housing Programme - Approved Expenditure</b>	<b>67,113</b>	<b>(4,397)</b>	<b>62,716</b>	<b>51,537</b>	<b>42,731</b>	<b>52,543</b>
<i>Adjustment for deferred costs</i>	<i>(813)</i>	<i>168</i>	<i>(645)</i>	<i>(1,409)</i>	<i>(4,612)</i>	<i>(2,854)</i>
<b>Total Expenditure after deferred costs</b>	<b>66,300</b>	<b>(4,229)</b>	<b>62,071</b>	<b>50,128</b>	<b>38,119</b>	<b>49,689</b>
<b>Available and Approved Resource</b>						
Capital Receipts - Unrestricted	29,224	237	29,461	5,376	851	10,159
Capital Receipts - RTB (141)	1,365	(1,066)	299	2,509	25	-
Capital Receipts - Sale of new build homes	510		510	-	-	-
Earls Court Receipts recognisable	-		-	-	16,581	4,460
Housing Revenue Account (revenue funding)	3,048		3,048	3,702	353	1,562
Major Repairs Reserve (MRR)	18,109		18,109	17,820	17,404	19,794
Contributions Developers (S106)	3,177	(2,480)	697	5,855	58	-
Repayment of NHHT loan	-		-	270	-	270
Contributions from leaseholders	9,786	-	9,786	2,849	2,849	2,849
<b>Internal Borrowing</b>	<b>1,082</b>	<b>(920)</b>	<b>162</b>	<b>11,747</b>		<b>10,595</b>
<b>Total Funding</b>	<b>66,300</b>	<b>(4,230)</b>	<b>62,071</b>	<b>50,128</b>	<b>38,119</b>	<b>49,689</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			
	2016/17 Revised Budget (Q1) £'000	Analysis of Movements (Q1 to Q2)				Revised Budget 2016/17 (Q2) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000
		Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000					
<b>Scheme Expenditure Summary</b>										
Lyric Theatre Development	2,145	-	-	-	-	2,145	-	-	-	2,145
Schools Organisational Strategy	33,128	(8,813)	(1,008)	-	(9,821)	23,307	16,524	501	-	40,332
Schools Window Replacement Project	9,258	(4,438)	-	-	(4,438)	4,820	7,230	6,833	-	18,883
Other Capital Schemes	1,035	-	-	-	-	1,035	-	-	-	1,035
<b>Total Expenditure</b>	<b>45,566</b>	<b>(13,251)</b>	<b>(1,008)</b>	<b>-</b>	<b>(14,259)</b>	<b>31,307</b>	<b>23,754</b>	<b>7,334</b>	<b>-</b>	<b>62,395</b>
<b>Capital Financing Summary</b>										
<b>Specific/External or Other Financing</b>										
Capital Grants from Central Government	25,857	(3,430)	-	-	(3,430)	22,427	4,968	-	-	27,395
Grants and Contributions from Private Developers (includes S106)	133	(133)	-	-	(133)	-	5,499	501	-	6,000
Capital Grants/Contributions from Non-departmental public bodies	2,145	-	(1,008)	-	(1,008)	1,137	-	-	-	1,137
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>28,135</b>	<b>(3,563)</b>	<b>(1,008)</b>	<b>-</b>	<b>(4,571)</b>	<b>23,564</b>	<b>10,467</b>	<b>501</b>	<b>-</b>	<b>34,532</b>
<b>Mainstream Financing (Internal Council Resource)</b>										
Capital Receipts	2,193	-	-	-	-	2,193	807	-	-	3,000
General Fund Revenue Account (revenue funding)	230	-	-	-	-	230	-	-	-	230
Use of Reserves	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>2,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,423</b>	<b>807</b>	<b>-</b>	<b>-</b>	<b>3,230</b>
<b>Borrowing</b>	<b>9,258</b>	<b>(4,438)</b>	<b>-</b>	<b>-</b>	<b>(4,438)</b>	<b>4,820</b>	<b>7,230</b>	<b>6,833</b>	<b>-</b>	<b>18,883</b>
<b>Funding to be identified/agreed</b>	<b>5,750</b>	<b>(5,250)</b>	<b>-</b>	<b>-</b>	<b>(5,250)</b>	<b>500</b>	<b>5,250</b>	<b>-</b>	<b>-</b>	<b>5,750</b>
<b>Total Capital Financing</b>	<b>45,566</b>	<b>(13,251)</b>	<b>(1,008)</b>	<b>-</b>	<b>(14,259)</b>	<b>31,307</b>	<b>23,754</b>	<b>7,334</b>	<b>-</b>	<b>62,395</b>

## Adult Social Care Services

### Current Year Programme

### Indicative Future Years Analysis

#### Analysis of Movements (Q1 to Q2)

2016/17 Revised Budget (Q1) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2016/17 (Q2) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000	
<b>Scheme Expenditure Summary</b>										
Extra Care New Build project (Adults' Personal Social Services Grant)	957	(957)	-	-	(957)	-	20	-	937	957
Community Capacity Grant	244	(95)	-	-	(95)	149	95	-	-	244
Parkview Project	-	-	-	-	-	-	-	-	-	-
Transforming Care (Winterbourne Grant)	300	-	-	-	-	300	-	-	-	300
Autism Capital Grant	-	-	-	-	-	-	-	-	-	-
Social Care Capital Grant	1,022	-	-	-	-	1,022	-	-	-	1,022
Disabled Facilities Grant	1,041	-	-	-	-	1,041	450	450	450	2,391
<b>Total Expenditure</b>	<b>3,564</b>	<b>(1,052)</b>	<b>-</b>	<b>-</b>	<b>(1,052)</b>	<b>2,512</b>	<b>565</b>	<b>450</b>	<b>1,387</b>	<b>4,914</b>
<b>Capital Financing Summary</b>										
<b>Specific/External or Other Financing</b>										
Capital Grants from Central Government	2,731	(1,052)	-	-	(1,052)	1,679	115	-	937	2,731
Grants and Contributions from Private Developers (includes S106)	-	-	-	-	-	-	-	-	-	-
Capital Grants/Contributions from Non-departmental public bodies	300	-	-	-	-	300	-	-	-	300
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>3,031</b>	<b>(1,052)</b>	<b>-</b>	<b>-</b>	<b>(1,052)</b>	<b>1,979</b>	<b>115</b>	<b>-</b>	<b>937</b>	<b>3,031</b>
<b>Mainstream Financing (Internal Council Resource)</b>										
Capital Receipts	533	-	-	-	-	533	450	450	450	1,883
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</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>Borrowing</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>3,564</b>	<b>(1,052)</b>	<b>-</b>	<b>-</b>	<b>(1,052)</b>	<b>2,512</b>	<b>565</b>	<b>450</b>	<b>1,387</b>	<b>4,914</b>



## Environmental Services

### Current Year Programme

### Indicative Future Years Analysis

#### Scheme Expenditure Summary

Planned Maintenance/DDA Programme
King Street Redevelopment
Footways and Carriageways
Transport For London Schemes
Controlled Parking Zones
Column Replacement
Carnwath Road
Fulham Cemetery (Porta Cabin Facility)
Hammersmith Bridge Strengthening
Other Capital Schemes
Parks Expenditure
Phoenix Centre Capital Improvements
Shepherds Bush Common Improvements
Recycling
CCTV
Linford Christie Stadium Refurbishment

#### 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

Analysis of Movements (Q1 to Q2)					
2016/17 Revised Budget (Q1)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2016/17 (Q2)
£'000	£'000	£'000	£'000	£'000	£'000
8,769	-	-	(5,300)	(5,300)	3,469
-	(2,450)	4,250	5,300	7,100	7,100
2,395	-	-	-	-	2,395
3,005	-	138	-	138	3,143
332	-	-	-	-	332
305	-	-	-	-	305
3,070	(1,200)	-	-	(1,200)	1,870
85	(85)	-	-	(85)	-
170	-	-	-	-	170
5,389	-	210	-	210	5,599
1,426	-	-	-	-	1,426
-	-	350	-	350	350
586	-	-	-	-	586
19	-	-	-	-	19
443	-	-	-	-	443
140	-	-	-	-	140
<b>26,134</b>	<b>(3,735)</b>	<b>4,948</b>	<b>-</b>	<b>1,213</b>	<b>27,347</b>
-	-	-	-	-	-
4,628	-	4,460	(619)	3,841	8,469
-	-	-	-	-	-
2,615	-	138	200	338	2,953
<b>7,243</b>	<b>-</b>	<b>4,598</b>	<b>419</b>	<b>4,179</b>	<b>11,422</b>
15,369	(3,735)	-	(4,037)	(7,772)	7,597
1,432	-	-	2,333	2,333	3,765
2,090	-	350	(1,890)	(1,540)	550
<b>18,891</b>	<b>(3,735)</b>	<b>350</b>	<b>3,594</b>	<b>(6,979)</b>	<b>11,912</b>
-	-	-	4,013	4,013	4,013
<b>26,134</b>	<b>(3,735)</b>	<b>4,948</b>	<b>-</b>	<b>1,213</b>	<b>27,347</b>

2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000
1,275	1,275	1,500	7,519
3,575	1,325	1,000	13,000
2,030	2,030	2,030	8,485
2,157	2,157	2,157	9,614
275	275	275	1,157
269	269	269	1,112
1,200	-	-	3,070
85	-	-	85
-	-	-	170
-	-	-	5,599
500	500	500	2,926
-	-	-	350
-	-	-	586
-	-	-	19
-	-	-	443
-	-	-	140
<b>11,366</b>	<b>7,831</b>	<b>7,731</b>	<b>54,275</b>
-	-	-	-
-	-	-	8,469
-	-	-	-
2,157	2,157	2,157	9,424
<b>2,157</b>	<b>2,157</b>	<b>2,157</b>	<b>17,893</b>
8,665	3,390	3,390	23,042
544	544	544	5,397
-	-	-	550
<b>9,209</b>	<b>3,934</b>	<b>3,934</b>	<b>28,989</b>
-	1,740	1,640	7,393
<b>11,366</b>	<b>7,831</b>	<b>7,731</b>	<b>54,275</b>

## Finance & Corporate Governance

### Current Year Programme

### Indicative Future Years Analysis

#### Analysis of Movements (Q1 to Q2)

	2016/17 Revised Budget (Q1) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2016/17 (Q2) £'000	2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
							£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>										
Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements	436	-	-	-	-	436	-	-	-	436
<b>Total Expenditure</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>
<b>Capital Financing Summary</b>										
<b>Specific/External or Other Financing</b>										
Capital Grants from Central Government		-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	436	-	-	-	-	436	-	-	-	436
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies		-	-	-	-	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>
<b>Mainstream Financing (Internal Council Resource)</b>										
Capital Receipts	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-
Use of Reserves		-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>Total Capital Financing</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436</b>

## Libraries Services

### Current Year Programme

### Indicative Future Years Analysis

#### Analysis of Movements (Q1 to Q2)

2016/17 Revised Budget (Q1) £'000	Slippages from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Transfers/ Virements £'000	Revised Budget 2016/17 (Q2) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	Total Budget (All years) £'000
<b>Scheme Expenditure Summary</b>									
Hammersmith Library Refurbishment Project	285	-	-	-	285	-	-	-	285
<b>Total Expenditure</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>
<b>Capital Financing Summary</b>									
<b>Specific/External or Other Financing</b>									
Capital Grants from Central Government	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	285	-	-	-	285	-	-	-	285
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-total - Specific or Other Financing</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>
<b>Mainstream Financing (Internal Council Resource)</b>									
Capital Receipts	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</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>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>

## Housing Capital Programme

### Scheme Expenditure Summary

#### HRA Schemes:

Supply Initiatives (Major Voids)
Energy Schemes
Lift Schemes
Internal Modernisation
Major Refurbishments
Planned Maintenance Framework
Minor Programmes
ASC/ELRS Managed
HRA Debt Repayment
Rephasing & Reprogramming
<b>Subtotal HRA</b>

#### Decent Neighbourhood Schemes:

Earls Court Buy Back Costs
Earls Court Project Team Costs
Housing Development Project
Other DNP projects
<b>Subtotal Decent Neighbourhoods</b>
<b>Total Expenditure</b>

Adjustment for deferred costs

**Total Net Expenditure**

### Capital Financing Summary

#### Specific/External or Other Financing

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

#### Mainstream Financing (Internal Council Resource)

Capital Receipts
Housing Revenue Account (revenue funding)
Major Repairs Reserve (MRR) / Major Repairs
<b>Sub-total - Mainstream Funding</b>

**Borrowing (Internal Borrowing)**

**Total Capital Financing**

### Current Year Programme

2016/17 Revised Budget (Q1)	Analysis of Movements (Q1 to Q2)				Revised Budget 2016/17 (Q2)
	Slippages from/(to) future years	Additions/(Reductions)	Transfers	Total Transfers/Virements	
£'000	£'000	£'000	£'000	£'000	£'000
1,600	-	-	53	53	1,653
3,995	(1,707)	-	(53)	(1,760)	2,235
6,033	(750)	-	-	(750)	5,283
1,000	-	-	-	-	1,000
22,962	(1,630)	-	3	(1,627)	21,335
6,116	-	-	(2)	(2)	6,114
9,083	(150)	800	(1)	649	9,732
1,309	-	-	-	-	1,309
1,563	-	-	-	-	1,563
(3,129)	-	3,129	-	3,129	-
<b>50,532</b>	<b>(4,237)</b>	<b>3,929</b>	<b>-</b>	<b>(308)</b>	<b>50,224</b>
8,482	-	-	-	-	8,482
813	(168)	-	-	(168)	645
5,181	(4,067)	-	-	(4,067)	1,114
2,105	-	146	-	146	2,251
<b>16,581</b>	<b>(4,235)</b>	<b>146</b>	<b>-</b>	<b>(4,089)</b>	<b>12,492</b>
<b>67,113</b>	<b>(8,472)</b>	<b>4,075</b>	<b>-</b>	<b>(4,397)</b>	<b>62,716</b>
<b>(813)</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>(645)</b>
<b>66,300</b>	<b>(8,304)</b>	<b>4,075</b>	<b>-</b>	<b>(4,229)</b>	<b>62,071</b>
9,786	-	-	-	-	9,786
3,177	(2,480)	-	-	(2,480)	697
-	-	-	-	-	-
<b>12,963</b>	<b>(2,480)</b>	<b>-</b>	<b>-</b>	<b>(2,480)</b>	<b>10,483</b>
31,098	(4,904)	4,075	-	(829)	30,269
3,048	-	-	-	-	3,048
18,109	-	-	-	-	18,109
<b>52,255</b>	<b>(4,904)</b>	<b>4,075</b>	<b>-</b>	<b>(829)</b>	<b>51,426</b>
1,082	(920)	-	-	(920)	162
<b>66,300</b>	<b>(8,304)</b>	<b>4,075</b>	<b>-</b>	<b>(4,229)</b>	<b>62,071</b>

### Indicative Future Years Analysis

2017/18 Budget	2018/19 Budget	2019/20 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000
500	-	-	2,153
4,277	2,175	2,200	10,887
5,535	5,165	1,850	17,833
250	250	500	2,000
14,585	9,893	11,849	57,662
250	-	-	6,364
6,945	6,452	7,209	30,338
950	950	900	4,109
-	-	-	1,563
-	-	-	-
<b>33,292</b>	<b>24,885</b>	<b>24,508</b>	<b>132,909</b>
7,008	13,142	25,181	53,813
1,409	4,612	2,854	9,520
9,361	92	-	10,567
467	-	-	2,718
<b>18,245</b>	<b>17,846</b>	<b>28,035</b>	<b>76,618</b>
<b>51,537</b>	<b>42,731</b>	<b>52,543</b>	<b>209,527</b>
<b>(1,409)</b>	<b>(4,612)</b>	<b>(2,854)</b>	<b>(9,520)</b>
<b>50,128</b>	<b>38,119</b>	<b>49,689</b>	<b>200,007</b>
2,849	2,849	2,849	18,333
5,855	58	-	6,609
270	-	270	540
<b>8,974</b>	<b>2,907</b>	<b>3,119</b>	<b>25,482</b>
7,885	17,456	14,619	70,229
3,702	353	1,562	8,665
17,820	17,404	19,794	73,127
<b>29,407</b>	<b>35,213</b>	<b>35,975</b>	<b>152,021</b>
11,747	-	10,595	22,503
<b>50,128</b>	<b>38,119</b>	<b>49,689</b>	<b>200,007</b>

## Appendix 2 – Analysis of Budget Variations

<b>Variation by Service</b>	<b>Amount £'000</b>
<b>Children's Services (CHS)</b>	
School's Organisation Strategy – Slippage from/(to) 2017/18 in respect of the following projects: Ark Conway £(2,470)k Bentworth £(473)k Burlington Danes £(149)k Queens Manor Resource Centre- £(5,250)k Bridge Academy £(531)k Pope John £60k	(8,813)
School's Organisation Strategy-Adjustment to budget of £(1,008)k for Sacred Heart High School to reflect the school-funded element of this programme. This project has now been completed.	(1,008)
Slippage of Schools' Windows project of £(4,438)k to future years due to re-profiling.	(4,438)
<b>Total CHS variations</b>	<b>(14,259)</b>
<b>Adult Social Care (ASC)</b>	
Community Capacity Grant –slippage to 2017/18	(95)
Extra Care New Build Project- slippage to future years	(957)
<b>Total ASC variations</b>	<b>(1,052)</b>
<b>Environmental Services (ENV)</b>	
TFL funded schemes -additional budget to reflect an increase in external funding (TFL grant)	138
Planned Maintenance/DDA Programme-budget transfer to recognise Hammersmith Town Hall Refurbishment/King Street Redevelopment as a separate project	(5,300)
Hammersmith Town Hall Refurbishment/King Street Redevelopment- budget transfer of £5,300k from Planned Maintenance/DDA Programme and additional budget of £4,250k funded by S106 (as approved by Cabinet on 6 <sup>th</sup> July 2015)	9,550
Other Capital Schemes- additional budget to reflect an increase in external funding (S106)	210
Phoenix Centre Capital Improvements – new approved project financed by Public Health Funding received in 2015/16	350
Fulham Cemetery (Porta Cabin Facility)-slippage to 2017/18 due to project delays	(85)
Carnwath Road-slippage to 2017/18	(1,200)
Hammersmith Town Hall Refurbishment/King Street Redevelopment-slippage to future years due to project delays	(2,450)
<b>Total ENV variations</b>	<b>1,213</b>
<b>Housing Capital Programme</b>	
HRA schemes- net slippage from/(to) future years as a result of budget re-profiling	(308)
Earls Court Project Team Costs –slippage due to project delays	(168)
Housing Development Project- slippages result of delay in start of the existing housing development schemes due to procurement issues	(4,067)
Other DNP projects-additional budget for Emlyn Gardens project to reflect adjustment to final invoices.	146
Adjustment for deferred costs –reduction in costs related to Earls Court project	168
<b>Total Housing variations</b>	<b>(4,229)</b>
<b>Grand Total 2016-17 Variations</b>	<b>(18,327)</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 2 £'000s	Deposit received to date £'000s	Full sales proceeds @ Q2 £'000s	Deferred Costs of Disposal reserved £'000s
<b>2016/17</b>						
<b>Total 2016/17</b>	<b>13,079</b>	<b>(5,599)</b>	<b>7,479</b>	<b>250</b>	<b>575</b>	<b>449</b>
<b>2017/18</b>						
<b>Total 2017/18</b>	<b>8,983</b>	<b>6,236</b>	<b>15,218</b>	<b>-</b>	<b>-</b>	<b>549</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 2019/20</b>	<b>3,840</b>	<b>-</b>	<b>3,840</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total All Years</b>	<b>29,741</b>	<b>636</b>	<b>30,378</b>	<b>250</b>	<b>575</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	-	1,380	-
Capital Receipts generated in year	7,479	15,218	3,840	3,840
Capital Receipts used in year - Capital Expenditure	(10,323)	(9,922)	(5,220)	(3,840)
Capital Receipts used in year - repayment of internal borrowing	-	(3,916)	-	-
<b>Capital Receipts C/fwd</b>	<b>-</b>	<b>1,380</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.