


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>6 February 2017</p>		
<p>CAPITAL PROGRAMME MONITOR & BUDGET VARIATIONS, 2016/17 (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>Consultation: Service Finance Teams</p>		
<p>Wards Affected: ALL</p>		
<p>Accountable Director: Hitesh Jolapara, Strategic Finance Director</p>		
<p>Report Author: Christopher Harris, Head of Corporate Accountancy and Capital</p>		<p>Contact Details: 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 third quarter, 2016/17 amounting to a net decrease of **£9.8m**. 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 **£9.8m** (summarised in Table 1 and detailed in Appendix 2).
- 2.2. Note that the Capital Financing Requirement forecast continues to be heavily dependent on the realisation of a small number of high-value capital receipts. If one or a number of the receipts were not realised in 2016/17 this would significantly affect the CFR forecast.

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 –Q3 VARIATIONS

4.1. The Council's capital programme as at the end of the third 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 Q3 Variations

	Proposed Variations: Q2 Budget to Q3					Indicative Future Years Analysis					
	2016/17 Revised Budget (Q2) £'000	Slippages from/(to) future years £'000	Addition/ (Reduction) £'000	Transfers £'000	Total Variations (Q3) £'000	Revised Budget 2016/17 (Q3) £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total Budget (All years) £'000
CAPITAL EXPENDITURE											
Children's Services	31,307	(4,504)	-	-	(4,504)	26,803	28,258	7,334	-	-	62,395
Adult Social Care	2,512	(300)	-	-	(300)	2,212	865	450	1,387	450	5,364
Environmental Services	27,347	(5,205)	3,609	-	(1,596)	25,751	16,486	7,831	7,731	7,731	65,530
Finance & Corporate Services	436	-	(436)	-	(436)	-	-	-	-	-	-
Libraries	285	-	-	-	-	285	-	-	-	-	285
Sub-total (Non-Housing)	61,887	(10,009)	3,173	-	(6,836)	55,051	45,609	15,615	9,118	8,181	133,574
HRA Programme	50,224	(3,524)	-	-	(3,524)	46,700	33,523	29,634	28,826	32,475	171,158
Decent Neighbourhoods Programme	11,847	591	(80)	-	511	12,358	19,655	13,599	7,662	9,313	62,587
Sub-total (Housing)	62,071	(2,933)	(80)	-	(3,013)	59,058	53,178	43,233	36,488	41,788	233,745
Total Expenditure	123,958	(12,942)	3,093	-	(9,849)	114,109	98,787	58,848	45,606	49,969	367,319
CAPITAL FINANCING											
Specific/External Financing:											
Government/Public Body Grants	28,496	(2,850)	185	-	(2,665)	25,831	10,360	2,157	3,364	2,157	43,869
Developers Contributions (S106)	9,887	186	(226)	500	460	10,347	18,920	501	-	-	29,768
Leaseholder Contributions (Housing)	9,786	-	-	-	-	9,786	2,849	2,849	2,849	2,849	21,182
Sub-total - Specific Financing	48,169	(2,664)	(41)	500	(2,205)	45,964	32,129	5,507	6,213	5,006	94,819
Mainstream Financing (Internal):											
Capital Receipts - General Fund	10,323	(2,477)	(40)	-	(2,517)	7,806	14,790	3,840	3,840	3,840	34,116
Capital Receipts - Housing*	30,269	(3,119)	82	-	(3,037)	27,232	11,063	16,952	13,575	17,832	86,654
Revenue funding - General Fund	3,995	-	-	-	-	3,995	544	544	544	544	6,171
Revenue Funding - HRA	3,048	-	-	-	-	3,048	2,464	6,028	-	1,313	12,853
Major Repairs Reserve (MRR) [Housing]	18,109	-	-	-	-	18,109	18,174	17,404	19,794	19,794	93,275
Earmarked Reserves (Revenue)	550	-	3,254	-	3,254	3,804	-	-	-	-	3,804
Sub-total - Mainstream Funding	66,294	(5,596)	3,296	-	(2,300)	63,994	47,035	44,768	37,753	43,323	236,873
Internal Borrowing	8,995	(4,682)	(162)	-	(4,844)	4,151	19,623	8,573	1,640	1,640	35,627
Funding to be identified/agreed	500	-	-	(500)	(500)	-	-	-	-	-	-
Total Capital Financing	123,958	(12,942)	3,093	-	(9,849)	114,109	98,787	58,848	45,606	49,969	367,319

*Capital Receipts include use of brought forward Housing receipts

4.2. A net variation to the 2016/17 programme of **£(9.8)m** is proposed, decreasing total budgeted expenditure from £123.9m to £114.1m. Of the proposed net variation, there is a reduction of £(12.9)m relating to slippages to future financial years. This is netted against a £3.1m increase that relates primarily to growth in the programme where external funding sources have now been confirmed, associated forecast funding has increased or to where cabinet decisions of a capital nature have already been taken. 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 programme will be updated as pipeline schemes are confirmed or otherwise; and 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 Headline¹ CFR is shown in Table 2 below. The current HRA CFR forecast is shown in Table 3.

Table 2 – General Fund CFR at Q3 2016-17 (including future years forecast)

General Fund CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Closing CFR (Including DSG-funded Schools Windows borrowing)	49.37	58.55	66.51	67.22	67.90
Closing CFR (Excluding DSG-funded Schools Windows borrowing)	45.42	45.59	47.23	48.71	50.13

Table 3 – HRA CFR at Q3 2016-17 (including future years forecast)

HRA CFR Forecast	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Closing Forecast HRA CFR (excluding deferred costs of disposal)	203.28	213.47	213.47	213.47	213.47
Deferred Costs of Disposal	5.90	7.27	11.70	14.40	18.66
Closing Forecast HRA CFR (including deferred costs of disposal)	209.18	220.74	225.17	227.86	232.13

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 below.

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 2016-20 with proposed 2016/17 Q3 Variations

	2016/17 Revised Budget	Variations (Q3)	2016/17 Budget (Q3)	Indicative Budget 2017/18	Indicative Budget 2018/19	Indicative Budget 2019/20	Indicative Budget 2020/21	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Approved Expenditure								
Ad Hoc Schemes:								
Schools Organisation Strategy [CHS] (mainstream element)	2,423	-	2,423	807	-	-	-	3,230
Hammersmith Town Hall Refurbishment (Mainstream Element/CPMP) [ENV]	2,850	(1,500)	1,350	5,075	1,325	1,000	-	8,750
Other Capital Schemes [ENV]	3,357	3,010	6,367	-	-	-	-	6,367
Carnwath Road [ENV]	1,870	(1,870)	-	3,070	-	-	-	3,070
Rolling Programmes:								
Disabled Facilities Grant [ASC]	533	-	533	450	450	450	450	2,333
Planned Maintenance/DDA Programme [ENV]	3,469	(1,296)	2,173	2,775	1,275	1,500	2,500	10,223
Footways and Carriageways [ENV]	2,395	-	2,395	2,030	2,030	2,030	2,030	10,515
Controlled Parking Zones [ENV]	333	-	333	275	275	275	275	1,433
Column Replacement [ENV]	305	-	305	269	269	269	269	1,381
Parks Programme [ENV]	1,346	(335)	1,011	835	500	500	500	3,346
Total Mainstream Programmes	18,881	(1,991)	16,890	15,586	6,124	6,024	6,024	50,648
Financing								
Capital Receipts	10,323	(2,517)	7,806	14,790	3,840	3,840	3,840	34,116
General Fund Revenue Account	4,545	3,254	7,799	544	544	544	544	9,975
Increase/(Decrease) in Internal Borrowing	4,013	(2,728)	1,285	252	1,740	1,640	1,640	6,557
Total Financing	18,881	(1,991)	16,890	15,586	6,124	6,024	6,024	50,648

6.2. Forecast General Fund Capital receipts for 2016-17 are currently £4.96m. A summary of expected receipts is included in Appendix 3 and their application to capital funding/debt reduction is presented in Table 5 below.

Table 5 – General Fund Mainstream Programme – Resource Forecast

Mainstream Forecast Resource Tracker	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Receipts B/fwd	2,844	-	-	-	-
Capital Receipts generated in year	4,962	14,790	3,840	3,840	3,840
Capital Receipts used in year - Capital Expenditure	(7,806)	(14,790)	(3,840)	(3,840)	(3,840)
Capital Receipts used in year - repayment of internal borrowing	-	-	-	-	-
Capital Receipts C/fwd	-	-	-	-	-

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.

7. HOUSING CAPITAL PROGRAMME

7.1. The expenditure and resource analysis for 2016-17 of the Housing Programme is summarised in Table 6 below:

Table 6 – Housing Capital Programme 2016-20 with proposed 2016/17 Q3 Variations

	2016/17 Revised Budget (Q2) £'000	Total Variations (Q3) £'000	2016/17 Budget (Q3) £'000	Indicative 2017/18 Budget £'000	Indicative 2018/19 Budget £'000	Indicative 2019/20 Budget £'000	Indicative 2020/21 Budget £'000
Approved Expenditure							
Decent Neighbourhood Schemes	12,492	488	12,980	21,061	18,129	10,423	13,672
HRA Debt Repayment	1,563	-	1,563	-	-	-	-
HRA Schemes	48,661	(3,524)	45,137	33,523	29,634	28,826	32,475
Total Housing Programme - Approved Expenditure	62,716	(3,036)	59,680	54,584	47,763	39,249	46,147
<i>Adjustment for deferred costs</i>	<i>(645)</i>	<i>23</i>	<i>(622)</i>	<i>(1,406)</i>	<i>(4,530)</i>	<i>(2,761)</i>	<i>(4,359)</i>
Total Expenditure after deferred costs	62,071	(3,013)	59,058	53,178	43,233	36,488	41,788
Available and Approved Resource							
Capital Receipts - Unrestricted	29,461	(3,117)	26,344	8,455	372	9,115	5,448
Capital Receipts - RTB (141)	299	80	379	2,608	-	-	-
Capital Receipts - Sale of new build homes	510	-	510	-	-	-	-
Earls Court Receipts recognisable	-	-	-	-	16,581	4,460	12,384
Housing Revenue Account (revenue funding)	3,048	-	3,048	2,464	6,028	-	1,313
Major Repairs Reserve (MRR)	18,109	-	18,109	18,174	17,404	19,794	19,794
Contributions Developers (S106)	697	186	883	8,171	-	-	-
Repayment of NHHT loan	-	-	-	270	-	270	-
Contributions from leaseholders	9,786	-	9,786	2,849	2,849	2,849	2,849
Internal Borrowing	162	(162)	-	10,187	-	-	-
Total Funding	62,071	(3,013)	59,058	53,178	43,233	36,488	41,788

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

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
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 (Q2 to Q3)					Revised Budget 2016/17 (Q3) £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	Total Budget (All years) £'000
	2016/17 Revised Budget (Q2) £'000	Slippages from/(to) future years £'000	Additions/(Reductions) £'000	Transfers £'000	Total Transfers/Virements £'000						
Scheme Expenditure Summary											
Lyric Theatre Development	2,145	-	-	-	-	2,145	-	-	-	-	2,145
Schools Organisational Strategy	23,307	(2,550)	-	-	(2,550)	20,757	19,074	501	-	-	40,332
Schools Window Replacement Project	4,820	(1,954)	-	-	(1,954)	2,866	9,184	6,833	-	-	18,883
Other Capital Schemes	1,035	-	-	-	-	1,035	-	-	-	-	1,035
Total Expenditure	31,307	(4,504)	-	-	(4,504)	26,803	28,258	7,334	-	-	62,395
Capital Financing Summary											
Specific/External or Other Financing											
Capital Grants from Central Government	22,427	(2,550)	-	-	(2,550)	19,877	7,518	-	-	-	27,395
Grants and Contributions from Private Developers (includes S106)	-	-	-	500	500	500	10,749	501	-	-	11,750
Capital Grants/Contributions from Non-departmental public bodies	1,137	-	-	-	-	1,137	-	-	-	-	1,137
Capital Grants and Contributions from GLA Bodies	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	23,564	(2,550)	-	500	(2,050)	21,514	18,267	501	-	-	40,282
Mainstream Financing (Internal Council Resource)											
Capital Receipts	2,193	-	-	-	-	2,193	807	-	-	-	3,000
General Fund Revenue Account (revenue funding)	230	-	-	-	-	230	-	-	-	-	230
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	2,423	-	-	-	-	2,423	807	-	-	-	3,230
Borrowing	4,820	(1,954)	-	-	(1,954)	2,866	9,184	6,833	-	-	18,883
Funding to be identified/agreed	500	-	-	(500)	(500)	-	-	-	-	-	-
Total Capital Financing	31,307	(4,504)	-	-	(4,504)	26,803	28,258	7,334	-	-	62,395

Adult Social Care Services

Current Year Programme

Indicative Future Years Analysis

Analysis of Movements (Q2 to Q3)

	2016/17 Revised Budget (Q2)	Slippages from/(to) future years	Additions/ (Reductions)	Transfers	Total Transfers/ Virements	Revised Budget 2016/17 (Q3)	2017/18 Budget	2018/19 Budget	2019/20 Budget	2020/21 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary											
Extra Care New Build project (Adults' Personal Social Services Grant)	-	-	-	-	-	-	20	-	937	-	957
Community Capacity Grant	149	-	-	-	-	149	95	-	-	-	244
Transforming Care (Winterbourne Grant)	300	(300)	-	-	(300)	-	300	-	-	-	300
Social Care Capital Grant	1,022	-	-	-	-	1,022	-	-	-	-	1,022
Disabled Facilities Grant	1,041	-	-	-	-	1,041	450	450	450	450	2,841
Total Expenditure	2,512	(300)	-	-	(300)	2,212	865	450	1,387	450	5,364
Capital Financing Summary											
Specific/External or Other Financing											
Capital Grants from Central Government	1,679	-	-	-	-	1,679	115	-	937	-	2,731
Capital Grants/Contributions from Non-departmental public bodies	300	(300)	-	-	(300)	-	300	-	-	-	300
Sub-total - Specific or Other Financing	1,979	(300)	-	-	(300)	1,679	415	-	937	-	3,031
Mainstream Financing (Internal Council Resource)											
Capital Receipts	533	-	-	-	-	533	450	450	450	450	2,333
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	533	-	-	-	-	533	450	450	450	450	2,333
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	2,512	(300)	-	-	(300)	2,212	865	450	1,387	450	5,364

Environmental Services

Current Year Programme

Indicative Future Years Analysis

Scheme Expenditure Summary

	Analysis of Movements (Q2 to Q3)					Revised Budget 2016/17 (Q3) £'000	Indicative Future Years Analysis				Total Budget (All years) £'000
	2016/17 Revised Budget (Q2) £'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	2020/21 Budget £'000	
Planned Maintenance/DDA Programme	3,469	(1,500)	204	-	(1,296)	2,173	2,775	1,275	1,500	2,500	10,223
King Street-Town Hall Redevelopment	7,100	(1,500)	-	-	(1,500)	5,600	5,075	1,325	1,000	-	13,000
Footways and Carriageways	2,395	-	-	-	-	2,395	2,030	2,030	2,030	2,030	10,515
Transport For London Schemes	3,143	-	185	-	185	3,328	2,157	2,157	2,157	2,157	11,956
Controlled Parking Zones	332	-	-	-	-	332	275	275	275	275	1,432
Column Replacement	305	-	-	-	-	305	269	269	269	269	1,381
Carnwath Road	1,870	(1,870)	-	-	(1,870)	-	3,070	-	-	-	3,070
Fulham Cemetery (Porta Cabin Facility)	-	-	-	-	-	-	-	-	-	-	-
Hammersmith Bridge Strengthening	170	-	-	-	-	170	-	-	-	-	170
Other Capital Schemes	5,599	-	3,220	-	3,220	8,819	-	-	-	-	8,819
Parks Expenditure	1,426	(335)	-	-	(335)	1,091	835	500	500	500	3,426
Phoenix Centre Capital Improvements	350	-	-	-	-	350	-	-	-	-	350
Shepherds Bush Common Improvements	586	-	-	-	-	586	-	-	-	-	586
Recycling	19	-	-	-	-	19	-	-	-	-	19
CCTV	443	-	-	-	-	443	-	-	-	-	443
Linford Christie Stadium Refurbishment	140	-	-	-	-	140	-	-	-	-	140
Total Expenditure	27,347	(5,205)	3,609	-	(1,596)	25,751	16,486	7,831	7,731	7,731	65,530

Capital Financing Summary

Specific/External or Other Financing

Capital Grants from Central Government	-	-	-	-	-	-	-	-	-	-	-
Grants and Contributions from Private Developers (includes S106)	8,469	-	210	-	210	8,679	-	-	-	-	8,679
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	2,953	-	185	-	185	3,138	2,157	2,157	2,157	2,157	11,766
Sub-total - Specific or Other Financing	11,422	-	395	-	395	11,817	2,157	2,157	2,157	2,157	20,445

Mainstream Financing (Internal Council Resource)

Capital Receipts	7,597	(2,477)	(40)	-	(2,517)	5,080	13,533	3,390	3,390	3,390	28,783
General Fund Revenue Account (revenue funding)	3,765	-	-	-	-	3,765	544	544	544	544	5,941
Use of Reserves	550	-	3,254	-	3,254	3,804	-	-	-	-	3,804
Sub-total - Mainstream Funding	11,912	(2,477)	3,214	-	737	12,649	14,077	3,934	3,934	3,934	38,528
Borrowing	4,013	(2,728)	-	-	(2,728)	1,285	252	1,740	1,640	1,640	6,557
Total Capital Financing	27,347	(5,205)	3,609	-	(1,596)	25,751	16,486	7,831	7,731	7,731	65,530

Libraries Services

Current Year Programme

Indicative Future Years Analysis

Analysis of Movements (Q2 to Q3)

	2016/17	Slippages	Additions/	Transfers	Total	Revised	2017/18	2018/19	2019/20	2020/21	Total Budget
	Revised	from/(to)	(Reductions)		Transfers/	Budget	Budget	Budget	Budget	(All years)	
	Budget	future			Virements	2016/17					
	(Q2)	years				(Q3)					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Scheme Expenditure Summary											
Hammersmith Library Refurbishment Project	285	-	-	-	-	285	-	-	-	-	285
Total Expenditure	285	-	-	-	-	285	-	-	-	-	285
Capital Financing Summary											
Specific/External or Other Financing											
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	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Specific or Other Financing	285	-	-	-	-	285	-	-	-	-	285
Mainstream Financing (Internal Council Resource)											
Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	-	-	-	-	-	-	-	-	-	-	-
Sub-total - Mainstream Funding	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Total Capital Financing	285	-	-	-	-	285	-	-	-	-	285

Housing Capital Programme

Current Year Programme

Indicative Future Years Analysis

Scheme Expenditure Summary

HRA Schemes:

	Analysis of Movements (Q2 to Q3)					Revised Budget 2016/17 (Q3) £'000	Indicative Future Years Analysis				Total Budget (All years) £'000
	2016/17 Revised Budget (Q2) £'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	2020/21 Budget £'000	
Supply Initiatives (Major Voids)	1,653	(600)	-	-	(600)	1,053	1,100	-	-	-	2,153
Energy Schemes	2,235	(250)	-	-	(250)	1,985	3,177	2,425	1,850	1,725	11,162
Lift Schemes	5,283	300	-	-	300	5,583	3,600	3,750	3,750	1,150	17,833
Internal Modernisation	1,000	-	-	2	2	1,002	250	250	500	1,750	3,752
Major Refurbishments	21,335	(2,002)	-	111	(1,891)	19,444	16,079	15,607	14,616	19,280	85,026
Planned Maintenance Framework	6,114	-	-	-	-	6,114	250	-	-	-	6,364
Minor Programmes	9,732	(972)	-	(113)	(1,085)	8,647	8,017	6,552	7,110	7,570	37,896
ASC/ELRS Managed	1,309	-	-	-	-	1,309	1,050	1,050	1,000	1,000	5,409
HRA Debt Repayment	1,563	-	-	-	-	1,563	-	-	-	-	1,563
Subtotal HRA	50,224	(3,524)	-	-	(3,524)	46,700	33,523	29,634	28,826	32,475	171,158

Decent Neighbourhood Schemes:

Earls Court Buy Back Costs	8,482	-	(80)	-	(80)	8,402	7,005	13,084	7,662	9,313	45,466
Earls Court Project Team Costs	645	-	(23)	-	(23)	622	1,406	4,530	2,761	4,359	13,678
Housing Development Project	1,114	312	-	-	312	1,426	9,203	515	-	-	11,144
Other DNP projects	2,251	279	-	-	279	2,530	3,447	-	-	-	5,977
Subtotal Decent Neighbourhoods	12,492	591	(103)	-	488	12,980	21,061	18,129	10,423	13,672	76,265
Total Expenditure	62,716	(2,933)	(103)	-	(3,036)	59,680	54,584	47,763	39,249	46,147	247,423
Adjustment for deferred costs	(645)	-	23	-	23	(622)	(1,406)	(4,530)	(2,761)	(4,359)	(13,678)
Total Net Expenditure	62,071	(2,933)	(80)	-	(3,013)	59,058	53,178	43,233	36,488	41,788	233,745

Capital Financing Summary

Specific/External or Other Financing

Contributions from leaseholders	9,786	-	-	-	-	9,786	2,849	2,849	2,849	2,849	21,182
Grants and Contributions from Private Developers (includes S106)	697	186	-	-	186	883	8,171	-	-	-	9,054
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	270	-	270	-	540
Sub-total - Specific or Other Financing	10,483	186	-	-	186	10,669	11,290	2,849	3,119	2,849	30,776

Mainstream Financing (Internal Council Resource)

Capital Receipts	30,269	(3,119)	82	-	(3,037)	27,232	11,063	16,952	13,575	17,832	86,654
Housing Revenue Account (revenue funding)	3,048	-	-	-	-	3,048	2,464	6,028	-	1,313	12,853
Major Repairs Reserve (MRR) / Major Repairs	18,109	-	-	-	-	18,109	18,174	17,404	19,794	19,794	93,275
Sub-total - Mainstream Funding	51,426	(3,119)	82	-	(3,037)	48,389	31,701	40,384	33,369	38,939	192,782

Borrowing (Internal Borrowing)

	162	-	(162)	-	(162)	-	10,187	-	-	-	10,187
Total Capital Financing	62,071	(2,933)	(80)	-	(3,013)	59,058	53,178	43,233	36,488	41,788	233,745

Appendix 2 – Analysis of Budget Variations

Variation by Service	Amount £'000
Children's Services (CHS)	
School's Organisation Strategy – Slippages due to delays in the Bridge Academy £(2,500)k and Bentworth Ark Transfer £(50)k projects	(2,550)
Slippage of Schools' Windows project of £(1,954)k to future years due to re-profiling.	(1,954)
Total CHS variations	(4,504)
Adult Social Care (ASC)	
Transforming Care (Winterbourne Grant) –slippage to 2017/18	(300)
Total ASC variations	(300)
Environmental Services (ENV)	
TFL funded schemes -additional budget to reflect an increase in external funding (TFL grant)	185
Planned Maintenance/DDA Programme -slippages due to budget re-profiling	(1,500)
Planned Maintenance/DDA Programme- additional budget in relation to Fulham Palace Boiler Replacement (as approved by Cabinet on 06/07/15). The project is funded from Fulham Palace Earmarked Reserve.	204
Other Capital Schemes- additional budget to reflect an increase in external funding (S106)	210
Other Capital Schemes- additional budget in relation to LED Lighting project (as approved by Cabinet on 09/05/16). The project is funded from Efficiency Reserve.	3,050
Other Capital Schemes-Riverside Wall Repairs -reduction in budget as project no longer required	(40)
Hammersmith Town Hall Refurbishment/King Street Redevelopment-slippage to future years due to project delays	(1,500)
Carnwath Rd - RLAM payments not due until 2017/18	(1,870)
Parks Expenditure – slippage to 2017/18 due to delays in various small parks projects	(335)
Total ENV variations	(1,596)
Finance & Corporate Governance (FCG)	
Relocation of HAFAD to Edward Woods Community Centre and Related Refurbishment Requirements-reduction in budget as project no longer required	(436)
Total FCG	(436)
Housing Capital Programme	
HRA schemes- net slippage from/(to) future years as a result of budget re-profiling	(3,524)
Earls Court Project Team Costs –reduction in budget due to savings on vacant post	(23)
Earls Court Buyback Costs-reduction due to revision of buyback compensation calculations	(80)
Housing Development Project- budget brought forward from 2017/18 due to earlier completion of Barclay Close, Becklow Gardens and Spring Vale projects	312
Other DNP projects- increase due to additional Cabinet approved costs related to Edith Summerskill House and Emlyn Gardens HEIP projects	279
Adjustment for deferred costs related to Earls Court project	23
Total Housing variations	(3,013)
Grand Total 2016-17 Variations	(9,849)

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 3 £'000s	Deposit received to date £'000s	Full sales proceeds @ Q3 £'000s	Deferred Costs of Disposal reserved £'000s
2016/17						
Total 2016/17	7,479	(2,517)	4,962	250	575	449
2017/18						
Total 2017/18	15,218	(428)	14,790	-	-	549
2018/19						
Total 2018/19	3,840	-	3,840	-	-	-
2019/20						
Total 2019/20	3,840	-	3,840	-	-	-
2020/21						
Total 2020/21	3,840	-	3,840	-	-	-
Total All Years	34,218	(2,946)	31,272	250	575	998

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.