

Capital Outturn Extract from March OFP Report

4.8 Capital

The capital expenditure outturn for 2016/17 is £267,999k, £53,620k above the final approved budget of £214,379k. This represents an outturn of 25% above the agreed budgeted programme. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances. A full report on the final outturn with variance analysis will be included in the July Capital Update report along with details of the requested transfer of resources and associated approvals into the 2017/18 capital programme.

Summary of the Capital Final Outturn

Directorate	Revised Budget Position 31 March 2017	Final Outturn	Variance (Under/Over)
	£'000	£'000	£'000
Chief Executive	256	575	320
Children, Adults & Community Health	46,486	40,907	(5,580)
Finance and Corporate Resources	34,812	94,682	59,870
Neighbourhoods	28,566	20,940	(7,626)
Total Non-Housing	110,120	157,104	46,983
Housing AMP Capital Schemes HRA	47,366	59,576	12,210
Council Capital Schemes GF	1,787	1,652	(135)
Private Sector Housing schemes	1,159	1,254	95
Estate Renewal Programme	49,634	43,149	(6,485)
Other Regeneration Schemes	4,312	5,265	953
Total Housing	104,258	110,895	6,637
Total Capital Expenditure	214,379	267,999	53,620

Chief Executive Services

The final outturn for the Chief Executives Services is £575k, £320k above the revised budget of £256k.

The most significant variance relates to Hackney Wick Regeneration project which is showing a £400k overspend against the 2016/17 final allocated budget. However, the budget for this scheme was re-profiled at the last re-profiling exercise into 2017/18 and so this represents early realisation of future planned expenditure. A request for the slippage of associated funding and approvals will be included in the July Capital Update report in order that the budget profiles are brought into line with anticipated delivery of the scheme.

Children, Adults and Community Health

The final outturn for the Children, Adults and Community Health is £40,907k, £5,580k below the revised budget of £46,486k.

The major variance within Adult Social Care relates to Oswald Street Day Care which is underspent by £672k. This was caused by delays in the minor construction work.

The major variance within Children Services relate to the Nile Street and Tiger Way projects which were underspent by £1,431k. The contract started in November 2016 and the resource is to be slipped to 2017/18 in line with the anticipated delivery of the scheme. In addition to this, the temporary secondary school Audrey Street Site is underspent by £1,532k.

Each of these schemes is ongoing into 2017/18 and future financial years. Therefore a request for the slippage of associated funding and approvals will be included in the July Capital Update report in order to bring the profile of budgets into line with the anticipated delivery of the schemes.

Finance and Corporate Resources

The final outturn for Finance and Corporate Resources is £94,682k, £59,870k above the revised budget of £34,812k.

The overall variance within Finance and Corporate Resources relates in the main to the Acquisition of the Morning Lane Site which was approved by Cabinet in January 2017 and completed on 31 March 2017, but not formally brought into the Capital Budget.

Neighbourhoods:

The final outturn for Neighbourhoods is £20,940k, £7,626k below the revised budget of £28,566k.

The major variance within Neighbourhoods is Hackney Marshes which is showing an underspend of £4,529k. The expenditure for this project is now planned to occur in 2017/18 and this underspend is fully committed against contract value. A request for the slippage of associated funding and approvals will be included in the July Capital Update report in order that the scheme concerned can progress.

Housing - AMP Capital Schemes Housing Revenue Account:

The final outturn for AMP Capital Schemes Housing Revenue Account is £59,576k, £12,210k above the revised budget of £47,366k. This is due to early delivery of planned works and a request for the slippage of associated funding and approvals will be included in the July Capital Update report in order to ensure that the total allocation across 2016/17 and 2017/18 is not overspent.

Housing - Council Capital General Fund:

The final outturn for the Council Capital General Fund is £1,787k, £135k below the revised budget of £1,787k. The major variance is in the Commercial Property Reactive Emergency budget showing a £478k underspend. This is due to a reduction in the number of requests for emergency reactive capital works to properties in the Commercial and Voluntary and Community Sector portfolios. This scheme is ongoing and a request of the slippage of associated funding and approvals will be included in the July Capital Update report.

Housing – Private Sector Housing:

The final outturn for Private Sector Housing is £1,254k, £95k above the revised budget of £1,159k, broadly in line with the approved budget.

Housing - Estate Renewal:

The final outturn for Estate Renewal is £43,149k, £6,485k below the revised budget of £49,634k. The overall Estate Regeneration schemes are ongoing and a request for the slippage of associated funding and approvals will be included in the July Capital Update report in order that the schemes can progress.

Housing – Other Regeneration

The final outturn for Other Regeneration is £5,486k, £953k above the revised budget of £4,312k. This is due to works being delivered ahead of schedule for the development of Woodberry Down. The budget for these schemes are already in 2017/18 and will be reduced accordingly when requests for slippage are included in the July Capital Update report.