

## 4.8 Capital

The capital expenditure outturn for 2017/18 is £271.1m, £8m below the final approved budget of £279.1m. This represents an outturn of 3% below 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. The June Capital Update report will include the requested transfer of resources and associated approvals into the 2018/19 capital programme arising from the outturn position in order that the schemes can progress to completion

### Summary of the Capital Final Outturn

<b>Table 1 – London Borough of Hackney Capital Programme – Final Outturn 2017/18</b>	<b>Revised Budget Position</b>	<b>Final Outturn</b>	<b>Variance (Under/Over)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chief Executive	87	0	-87
Children, Adults & Community Health	25,592	21,783	-3,809
Finance & Corporate Resources	81,017	84,524	3,507
Neighbourhoods & Housing (Non-Housing)	23,049	20,699	-2,349
<b>Total Non-Housing</b>	<b>129,744</b>	<b>127,006</b>	<b>-2,738</b>
AMP Capital Schemes HRA	94,241	87,617	-6,624
Council Capital Schemes GF	1,697	1,469	-228
Private Sector Housing	1,776	1,505	-271
Estate Renewal	44,338	43,996	-342
Housing Supply Programme	3,047	2,240	-807
Other Council Regeneration	4,227	7,280	3,053
<b>Total Housing</b>	<b>149,327</b>	<b>144,109</b>	<b>-5,219</b>
<b>Total Capital Expenditure</b>	<b>279,071</b>	<b>271,115</b>	<b>-7,956</b>

#### CHIEF EXECUTIVE'S SERVICES

The final outturn for the Chief Executives Services is nil spend against the revised budget of £0.08m. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.

#### CHILDREN, ADULTS AND COMMUNITY HEALTH

The final outturn for the Children, Adults and Community Health is £21.8m, £3.8m below the revised budget of £25.6m.

CACH Directorate Capital Forecast	Revised Budget	Final Outturn	Variance
	£'000	£'000	£'000
Adult Social Care	3,863	3,397	-466
Education Asset Management Plan	3,465	4,181	717
Building Schools for the Future	586	47	-539
Other Education & Children's Services	657	466	-191
Primary School Programmes	4,924	3,076	-1,848
Secondary School Programmes	12,096	10,614	-1,482
<b>TOTAL</b>	<b>25,592</b>	<b>21,783</b>	<b>-3,809</b>

### Adult Social Care

The final outturn for the overall Adult Social Care is £3.4m, £0.5m below the respective budget of £3.9m. The most significant variance relates to Oswald Street Day Centre which is showing an in-year underspend of £0.5m against the respective budget of £3.7m. The variance relates to delays in the fit-out and construction of the centre. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report in order that the scheme concerned can progress.

### Primary School Asset Management Programme

The final outturn for the overall Primary School Asset Management Programme is £4.2m, £0.7m above the respective budget of £3.5m. The main variance relates to London Fields School AMP which is showing an in-year overspend of £0.4m against the respective budget of £0.09m. The variance was due to the programme of works completing earlier than planned. There is a budget of £0.40m in 2018/19 and this will be utilised to cover this expenditure.. The overall programme will continue into 2018/19 and a request for the slippage of associated funding and approvals will be included in the June Capital Update report in order to ensure that the total allocation across 2017/18 and 2018/19 is not overspent.

### Building Schools for the Future

The final outturn for the overall BSF PRUs programme is £0.05m, £0.55m below the respective budget of £0.6m. The main variance relates to Stormont College which is showing nil spend against the respective budget of £0.03m. The variance relates to the final account payments which will be slipped to 2018/19. The overall BSF programme will continue into 2018/19 therefore a request for the slippage of associated funding and approvals will be included in the June Capital Update report.

### Primary School Programmes

The final outturn for the overall Primary School Programme is £3.1m, £1.8m below the respective budget of £4.9m. The main variance relates to

Shacklewell School – budgets will be slipped into 2018/19 to bring the profile of budgets in line with the anticipated delivery of the schemes during the year

### Secondary School Programme

The final outturn for the overall Secondary School Programme is £10.6m, £1.5m below the respective budget of £12.1m. The most significant variance relates to the AMP (Annual Maintenance Programme) Works 2017/18 programme which is showing an in-year underspend of £1.2m. The AMP is the borough's cyclical and periodic yearly maintenance programme which is showing an in-year underspend of £0.5m against the respective budget of £5.0m. This variance relates to a delay on decisions on design and development which will be slipped to 2018/19.

The other significant variance relates to Shoreditch Park School Façade which is showing an in-year underspend of £0.6m against the respective budget of £1.0m. This scheme is part of a rolling programme of repairs of significant structural and condition issues with the high level façades and roofs of the Victorian and Edwardian schools in the Borough. The overall programme will continue into 2018/19 and therefore, a request for the slippage of associated funding and approvals will be included in the June Capital Update report in order that the programme can continue to be delivered as anticipated.

The schools works programme is the result of a survey of all schools done in March 2016. This survey takes place every three years and brought to light urgent statutory, health and safety works which needed to be carried out in schools. The expenditure for this overall project is continuing into 2018/19 and this underspend is fully committed against contract value. Therefore a request for the slippage of associated funding and approvals will be included in the June Capital Update report.

### FINANCE AND CORPORATE RESOURCES

The final outturn for the Finance & Corporate Resources is £84.5m, £3.5m above the revised budget of £81.0m.

F&CR Directorate Capital Forecast	Revised Budget	Final Outturn	Variance
	£'000	£'000	£'000
Property Services	4,998	5,138	140
ICT	5,459	2,647	-2,812
Financial Management	372	463	91
Other Schemes	307	203	-103
Mixed Use Development	69,881	76,074	6,192
<b>TOTAL</b>	<b>81,017</b>	<b>84,524</b>	<b>3,507</b>

### Strategic Property Services

The final outturn for the overall Property Services is £5.1m, £0.1m above the respective budget of £5.0m. At the last re-profiling exercise we re-profiled £2m to 2018/19 due to a number of variances in schemes relating to landlord works to Voluntary Sector properties that started mid to end of March 2018. We also had a number of capital schemes which form part of the Corporate Estate Rationalisation which were still pending project options. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.

## ICT

The final outturn for the overall ICT Programme is £3.1m, £1.8m below the respective budget of £4.9m. The main variance relates to the Digital Capital programme which is showing an £0.7m underspend. Hackney Council is re-developing the Digital Platform for all users. This programme forms part of the overall Council's ICT Strategy which is structured in line with the six strategic themes that have been developed to shape the Council's direction for digital change and technology investment. This is designed to ensure that Hackney is delivering high quality digital services for everyone. The planned spend for this project will continue into 2018/19. A request of the slippage of associated funding and approvals will be included in the June Capital Update report.

## Mixed Use Development

The overall final outturn for Mixed Use Development is £76.1m, £6.2m above the respective budget of £69.9m.

The final outturn for the Tiger Way and Nile Street is £69.8m, £7.3m above the respective budget of £62.5m. This is a budget profiling issue only, and will be corrected through the year-end process. Both schemes remain on target at an aggregate budget level. The final outturn for Britannia Site for 2017/18 is £6.3m, £1.1m below its profiled budget of £7.4m.

Each of these schemes is ongoing into 2018/19 and future financial years. Therefore a request of the slippage of associated funding and approvals will be included in the June Capital Update report in order to bring the profile of budgets in line with the anticipated delivery of the schemes.

## NEIGHBOURHOODS AND HOUSING (NON-HOUSING):

The final outturn for the Neighbourhoods and Housing (Non-Housing) is £20.7m, £2.3m below the revised budget of £23.0m.

N&H – Non Housing Capital Forecast	Revised Budget	Final Outturn	Variance
	£'000	£'000	£'000
Museums and Libraries	211	90	-121
Parks and Open Spaces	6,140	5,982	-158
Highways/Infrastructure	10,703	9,813	-891
EHPC	1,323	1,185	-138
TFL	3,548	2,825	-724
Parking and Market Schemes	159	163	3
Regulatory Services	79	0	-79
Safer Communities	170	126	44
Regeneration	713	515	-198
<b>Total</b>	<b>23,049</b>	<b>20,699</b>	<b>-2,349</b>

### Museums & Libraries

The final outturn for the overall Museums & Libraries is £0.01m, £0.01m below the respective budget of £0.02m. At the last re-profiling exercise £1.3m was re-profiled to 2018/19 in line with the anticipated spend. Hackney Council's will be procuring a new Library Management System (LMS), upgrading the CCTV in libraries, new installation of visitor counters, new installation of door entry systems and essential works and maintenance. A request of the slippage of associated funding and approvals will be included in the June Capital Update report in order that the scheme concerned can progress.

### Parks and Open Spaces

The final outturn for the overall Parks and Open Spaces capital programme is £5.9m, £0.2m below the respective budget of £6.1m. At the last re-profiling exercise, £3.9m was re-profiled to 2018/19, in line with the anticipated spend. The main variance in this quarter relates to Commercial Vehicles for Parks Central which forms part of the Council's new fleet vehicles approved by Cabinet Procurement Committee on 21 February 2017. The provision is to replace light commercial vehicles up to 3500kg and heavier vehicles to 7500kg to service all the service departments, across the Council, that require these vehicles for their operations over the next four years. All of the vehicles to be purchased will be Euro 6 emissions compliant, with all diesel vehicles up to 3500kg to operate on a B30 blend of biodiesel, this producing a 24% CO2 savings alongside some NOx savings. In addition, some of the smaller vans will now be ordered as electric vehicles where the technology exists. The planned spend for these vehicles will be in 2018/19 and a request of the slippage of associated funding and approvals will be included in the June Capital Update report.

## HOUSING

The final outturn for Housing is £144.1m, £5.2m below the revised budget of £149.3m.

Housing Capital Forecast	Revised Budget	Forecast	Variance	Comments
	£'000	£'000	£'000	
AMP Capital Schemes HRA	94,241	87,617	-6,624	The majority of the packages (SCA) of work for 2017/18 have started on site. There is £3.5m of works packages that have not been issued to contractors and therefore reprofiled to 2018/19. Plus £3m of fire risk works due to commence shortly, reprofiled to 2018/19
Council Capital Schemes GF	1,697	1,469	-228	Historic underspend of budget to refurbish properties as vacant properties are all brought back into use. Underspend carried over for acquisition of new properties and conversion of existing stock.
Private Sector Housing	1,776	1,505	-271	Underspend due to small reduction in demand for all grant areas.
Estate Renewal	44,338	43,996	-342	Contract for Tower Court, St Leonards, Frampton Arms and Lyttelton House have now been awarded and construction and expenditure will commence in next financial year. Kings Crescent and Great Eastern Building has achieved Practical Completion and are now occupied. The completion of KER and Aikin Court have now slipped to the new financial year.
Housing Supply Programme	3,047	2,240	-807	Design development cost (architects and Employers Agents/Cost consultants) continue to be incurred. 2 schemes achieved planning permission and move to procurement stage. Majority of scheme not at tender stage.
Other Council Regeneration	4,227	7,280	3,053	Viability negotiations of Phase 3 continue so limited progress on leaseholder buybacks. However, progressing to CPO and continue to negotiate with remaining leaseholders and buy properties back. Overspend due to increase in buyback of properties in last qtr
<b>Total Housing</b>	<b>149,327</b>	<b>144,109</b>	<b>-5,219</b>	