

## Capital Extract from February OFP Report

### 4.7 Capital

This is the fourth OFP Capital Programme monitoring report for the financial year 2018/19. The actual year to date capital expenditure for the eleven months April 2018 to February 2019 is £193.8m and the forecast is currently £265.4m, £17.2m below the revised budget of £282.6m. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 – London Borough of Hackney Capital Programme – Q4 2018/19	Revised Budget Position	Spend as at end of Feb 2019	Forecast	Variance (Under)/Over
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	10,471	7,471	11,129	658
Finance & Corporate Resources	94,599	70,907	94,715	116
Neighbourhoods & Housing (Non-Housing)	19,103	10,032	17,819	-1,284
<b>Total Non-Housing</b>	<b>124,173</b>	<b>88,410</b>	<b>123,663</b>	<b>-511</b>
AMP Capital Schemes HRA	83,672	51,254	77,690	-5,982
Council Capital Schemes GF	1,543	2,463	3,389	1,846
Private Sector Housing	1,636	877	1,189	-447
Estate Renewal	54,792	37,772	44,181	-10,611
Housing Supply Programme	9,193	6,432	8,185	-1,007
Other Council Regeneration	7,584	6,611	7,100	-484
<b>Total Housing</b>	<b>158,420</b>	<b>105,409</b>	<b>141,734</b>	<b>-16,686</b>
<b>Total Capital Expenditure</b>	<b>282,593</b>	<b>193,819</b>	<b>265,396</b>	<b>-17,197</b>

#### CHILDREN, ADULTS AND COMMUNITY HEALTH

The overall forecast for Children, Adults and Community Health is £11.1m, £0.6m above the revised budget of £10.5m. More detailed commentary is set out below.

CACH Directorate Capital Forecast

Revised Budget

Spend as at end Feb 2019

Forecast

Variance (Under)/Over

	£000	£000	£000	£000
Adult Social Care	484	353	424	-61
Education Asset Management Plan	2,357	1,895	2,580	222
Building Schools for the Future	149	177	174	25
Other Education & Children's Services	399	323	386	-13
Primary School Programmes	4,049	2,433	4,641	592
Secondary School Programmes	3,032	2,290	2,924	-108
<b>TOTAL</b>	<b>10,471</b>	<b>7,471</b>	<b>11,129</b>	<b>658</b>

### Education Asset Management Plan

The overall scheme is reporting an overspend of £0.2m against an in-year respective budget of £2.4m. The variance is due to unplanned emergency works at some childrens' centres. Harrington Hill is showing a slight overspend as a result of works being instructed and completed earlier than planned due to highlighted risks. William Patton is also showing a slight overspend which is as a result of additional fire upgrade works. Rushmore have had variations to the original approved works which resulted in some overspend.

### Primary School Programmes

The overall scheme is reporting an overspend of £0.6m against an in-year respective budget of £4.1m. In Quarter 3 there was an initial delay to the works and the variance was reprofiled to 2019/20. These delays have been resolved and the works have now been accelerated thus causing the variance in Quarter 4. The budget will be reprofiled again as part of the accounts closure exercise in order to finance the expenditure.

### FINANCE AND CORPORATE RESOURCES

The overall forecast in Finance and Corporate Resources is £94.7m, £0.1m above the revised budget of £94.6m. More detailed commentary is outlined below.

F&R Directorate Capital Forecast	Revised Budget	Spend as at end Feb	Forecast	Variance (under)/over
	£000	£000	£000	£000
Property Services	4,018	1,934	4,387	370
ICT	3,885	2,274	3,574	-311

Financial Management	325	-81	325	0
Other Schemes	152	33	108	-45
Mixed Use Development	86,220	66,747	86,321	102
<b>TOTAL</b>	<b>94,599</b>	<b>70,907</b>	<b>94,715</b>	<b>116</b>

### Strategic Property Services – Strategy & Projects

Dalston Lane Terrace Compulsory Purchase Order has now been completed earlier than expected causing a slight overspend of £0.3m. The budget will be reprofiled from 2019/20 to fund the variance.

### ICT Capital

The End-user Meeting Room and Device Refresh to roll-out provision of new ICT equipment is showing a minor underspend as actual requirements are assessed. The variance will be reprofiled to 2019/20 as the programme will continue.

### Mixed Use Developments

Tiger Way is reporting a minor overspend against the in-year respective budget of £27m. The school is complete and decant took place during the recent half term. The residential project is almost complete. The ground floor show apartment for sales promotion has been completed and snagged. A lock up certificate has been issued and the unit is receiving sales visits from the appointed estate agents. The variance will be slipped to 2019/20.

Nile Street is reporting to come in within the in-year budget of £49m. The project is behind schedule by no more than 6 weeks on the contract programme and this was caused by logistical difficulties installing the glazing system to the south elevation. A mitigation programme is in place by the contractors and this should bring the programme back on track. There has been progress on the lower floors over this reporting period. The Tower is back on programme and there is no delay to the school in respect of critical path activities.

Britannia Site is reporting to come in within the in-year budget of £10m. The first phase of housing within the Britannia project is being put back a year due to the delays associated with planning for Crossrail 2. The 93 new homes - 81 for Council social rent and shared ownership, and 12 for private sale are now expected to be built by summer 2022. This is the block on the corner of Bridport Place and Penn Street. Construction of the new leisure centre and school is going ahead as planned, with both expected to open by 2021. The contract for the leisure centre is due to be signed before Easter, with the secondary school contract expected to be signed in May 2019. Both projects should, therefore, be on site this summer.

## NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is £17.8m, £1.3m under the revised budget of £19.1m. More detailed commentary is outlined below.

<b>N&amp;H – Non-Housing Capital Forecast</b>	<b>Revised Budget</b>	<b>Spend as at end Feb</b>	<b>Forecast</b>	<b>Variance (under)/ over</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Museums and Libraries	405	205	251	-155
Leisure Centres	0	0	0	0
Parks and Open Spaces	2,653	1,726	2,745	93
Infrastructure Programmes	10,979	6,422	10,809	-170
EHPC Schemes	282	282	282	0
TFL	4,361	1,279	3,264	-1,096
Parking and Market Schemes	99	87	99	0
Other Services	0	0	0	0
Regulatory Services	0	0	0	0
Safer Communities	50	25	45	-5
Regeneration	275	5	325	50
<b>Total</b>	<b>19,103</b>	<b>10,032</b>	<b>17,819</b>	<b>-1,284</b>

### TFL funded Capital Projects

The variance is due to an issue with the TFL portal in respect of their budgets in the month of August. As such this variance does not represent an actual underspend and will be slipped to 2019/20 as the works continue..

## HOUSING

The overall forecast in Housing is £141.7m, £16.7m below the revised budget of £158.4m. More detailed commentary is set out below.

<b>Housing Capital Forecast</b>	<b>Revised Budget</b>	<b>Spend as at end Feb</b>	<b>Forecast</b>	<b>Variance (under)/ over</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
AMP Housing Schemes HRA	83,672	51,254	77,690	-5,982
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Estate Regeneration	54,792	37,772	44,181	-10,611
Housing Supply Programme	9,193	6,432	8,185	-1,007
Woodberry Down	7,584	6,611	7,100	-484

Regeneration				
<b>Total Housing</b>	<b>158,420</b>	<b>105,409</b>	<b>141,734</b>	<b>-16,686</b>

### AMP Housing Schemes HRA

The reduction in spend against Q3 relates to a slight reduction in Contract 1 expenditure (£1.2m), based on estimated works completion dates before 31/03/2019, removal of expenditure in relation to the Contingency budget (£2m) which will now not be required, and a £1.6m reduction in expenditure against the One Touch budget where the works will carry over into next year.

### Council Schemes GF & Private Sector Housing

The increase in expenditure relates to the procurement of the Royal Parks Hostel (£0.8m) and an increase in the number of Regeneration voids being renovated to be used for Temporary Accommodation.

### Estate Regeneration

The reduction relates to the removal of a Developers profit expenditure item, which has been netted off by a reduction in income. Works have been delayed on the Tower Court site, where Japanese Knotweed has been discovered. Further works have been delayed on Marian Court due to tender bids coming in higher than expectations. There is a £2.1m reduction on Lyttleton House whereby the construction period has slipped slightly, and the costs will be incurred in the coming years and the budget will therefore be reprofiled.