



Capital Update Report

KEY DECISION NO. FCR P98

CABINET MEETING DATE

18 Nov 2019

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Philip Glanville, Mayor of Hackney

KEY DECISION

Yes

REASON

Spending or Savings

GROUP DIRECTOR

Ian Williams Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 This report on the capital programme for 2019/20 updates members on the capital programme agreed in the 2019/20 budget.
- 1.2 Whilst there are no new projects or schemes included, the report brings the current capital budget into line with the anticipated delivery timeframes and thereby enables more accurate monitoring of the programme going forward.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report updates Members on the current position of the Capital Programme and seeks spending and resource approval as required to enable officers to proceed with the delivery of those schemes as set out in section 9 of this report.

3. RECOMMENDATION(S)

- 3.1 That the re-profiling of the budgets as detailed in para 9.2 and Appendix 1 be approved as follows:

Summary of Phase 1 Re-profiling	To Re-Profile 2019/20	Re-Profiling 2020/21	Re-Profiling 2021/22	Re-Profiling 2021/22
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	(14,258)	13,771	287	200
Finance & Corporate Resources	(23,451)	23,451	0	0
Neighbourhood & Housing (Non)	(6,696)	6,696	0	0
Total Non-Housing	(44,405)	43,918	287	200
Housing	(42,780)	42,780	0	0
Total	(87,186)	86,699	287	200

- 3.2 That the capital programme adjustments summarised below set out in detailed in para 9.3 be approved accordingly.

Summary of Capital Adjustments	Budget 2019/20	Change 2019/20	Updated 2019/20
	£'000	£'000	£'000
Non-Housing	18,138	(1,506)	16,632
Housing	44,704	(0)	44,704
Total	62,842	(1,506)	61,336

4. REASONS FOR DECISION

4.1 The decisions required are necessary in order that the schemes within the Council's approved Capital programme can be delivered as set out in this report.

4.2 In most cases, resources have already been allocated to the schemes as part of the budget setting exercise but spending approval is required in order for the scheme to proceed. Where however resources have not previously been allocated, resource approval is requested in this report.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

None.

6. BACKGROUND

6.1 Policy Context

The report to recommend the Council Budget and Council Tax for 2019/20 considered by Council on 25 February 2019 sets out the original Capital Plan for 2019/20. Subsequent update reports considered by Cabinet amend the Capital Plan for additional approved schemes and other variations as required.

6.2 Equality Impact Assessment

Equality impact assessments are carried out on individual projects and included in the relevant reports to Cabinet or Procurement Committee, as required. Such details are not repeated in this report.

6.3 Sustainability

As above.

6.4 Consultations

Relevant consultations have been carried out in respect of the projects included within this report, as required. Once again details of such consultations would be included in the relevant detailed reports to Cabinet or Procurement Committee.

6.5 Risk Assessment

The risks associated with the schemes detailed in this report are considered in detail at individual scheme level. Primarily these will relate to the risk of the projects not being delivered on time or to budget. Such risks are however constantly monitored via the regular capital budget monitoring exercise and reported to cabinet within the Overall Financial Position reports. Specific risks

outside of these will be recorded on departmental or project based risk registers as appropriate.

7. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 7.1 The gross approved Capital Spending Programme for 2019/20 currently totals **£375.755m (£204.516m non-housing and £171.239m housing)**. This is funded by discretionary resources (borrowing, government grant support, capital receipts, capital reserves (mainly Major Repairs Reserve and revenue contributions) and earmarked funding from external sources.
- 7.2 The financial implications arising from the individual recommendations in this report are contained within the main report.
- 7.3 If the recommendations in this report are approved, the revised gross capital spending programme for 2019/20 will total **£287.063m (£158.605m non-housing and £128.459m housing)**.

Directorate	Revised Budget Position	Capital Adjustments	Re-Profile Phase 1	Updated Budget Position
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	28,300	(40)	(14,258)	14,002
Finance & Corporate Resources	134,919	(58)	(23,451)	111,410
Neighbourhoods & Housing	41,298	(1,408)	(6,696)	33,193
Total Non-Housing	204,516	(1,506)	(44,405)	158,605
Housing	171,239	(0)	(42,780)	128,459
Total	375,755	(1,506)	(87,186)	287,063

8. COMMENTS OF THE DIRECTOR OF LEGAL

- 8.1 The Group Director, Finance and Corporate Resources is the officer designated by the Council as having the statutory responsibility set out in section 151 of the Local Government Act 1972. The section 151 officer is responsible for the proper administration of the Council's financial affairs.
- 8.2 In order to fulfil these statutory duties and legislative requirements the Section 151 Officer will:
- (i) Set appropriate financial management standards for the Council which comply with the Council's policies and proper accounting practices, and monitor compliance with them.
 - (ii) Determine the accounting records to be kept by the Council.
 - (iii) Ensure there is an appropriate framework of budgetary management and control.
 - (iv) Monitor performance against the Council's budget and advise upon the corporate financial position.

8.3 Under the Council's Constitution, although Council set the overall Budget, it is the Cabinet that is responsible for putting the Council's policies into effect and responsible for most of the Councils' decisions. The Cabinet has to take decisions in line with the Council's overall policies and budget.

9 CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS

9.1 This report seeks approval for the reprofiling and other adjustments to schemes already approved.

9.2 Re-Profiling of the Capital Budgets:

9.2.1 The capital programme is re-profiled twice each year to ensure that the budgets reflect changes in the anticipated development and progress of schemes within the approved programme. This helps to enhance capital budget monitoring and associated financing decisions. The table below summarises the re-profiling of the capital programme between years, the full details of which are shown in Appendix 1.

Summary of Phase 1 Re-profiling	To Re-Profile 2019/20	Re-Profiling 2020/21	Re-Profiling 2021/22	Re-Profiling 2021/22
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	(14,258)	13,771	287	200
Finance & Corporate Resources	(23,451)	23,451	0	0
Neighbourhood & Housing (Non)	(6,696)	6,696	0	0
Total Non-Housing	(44,405)	43,918	287	200
Housing	(42,780)	42,780	0	0
Total	(87,186)	86,699	287	200

9.3 Capital Programme Adjustments:

9.3.1 Capital Programme adjustments are requested in order to adjust and reappportion the 2019/20 approved budgets to better reflect project delivery of the anticipated programme. The full details for the required changes are set out in the table below.

Capital Adjustments	Budget 2019/20	Change 2019/20	Updated 2019/20
	£	£	£
Children, Adults & Community Health			
Commercial Vehicles Meals on Wheels	55,821	(55,821)	0
Commercial Vehicles First Response	11,900	15,970	27,870
Shacklewell Primary	165,315	(130,000)	35,315

Tyssen AMP	546,618	(30,000)	516,618
Grazebrook Primary School	137,500	(137,500)	0
Benthal AMP	350,446	(1,200)	349,246
Colvestone AMP	391,797	(165,000)	226,797
Harrington Hill AMP	314,249	(114,774)	199,474
Parkwood AMP	231,895	(90,000)	141,895
Springfield AMP	47,046	(37,690)	9,356
Clapton Park AMP	17,000	(17,000)	0
Rushmore AMP	0	1,200	1,200
Sebright AMP	45,226	(45,226)	0
Shoreditch Park AMP	1,102,100	947,180	2,049,280
Hoxton Gardens AMP	165,315	(130,000)	35,315
AMP 2018-19 Professional Fees	0	50,010	50,010
Stormont College SEN Pre BSF	208,124	(50,000)	158,124
Ickburgh BSF Ph3	70,907	50,000	120,907
Devolved Formula Capital Holding Code	415,517	(16,480)	399,037
Woodberry Down School	231,153	(100,000)	131,153
Southwold Primary School	165,315	(100,000)	65,315
Woodberry Down CC Relocation	669,733	100,000	769,733
Gainsborough Façade Repair	1,480,245	(528,405)	951,840
London Fields Façade	377,193	58,030	435,223
Daubeney Façade	12,268	57	12,325
Contingency Facade Repairs	225,779	753,411	979,190
Queensbridge Façade	107,419	72,634	180,053
Randal Cremer Façade	464,746	(45,574)	419,172
Sebright Façade	987,546	(310,153)	677,394
Clapton Girls BSF Life Cycle	110,000	6,000	116,000
Our Ladys School Lifecycle	30,000	9,980	39,980
The Garden Lifecycle	500	500	1,000
Finance & Corporate Resources			
Keltan House Windows & Refurb	118,470	(6,000)	112,470
15-49 Chapman Rd Car Pound	0	6,000	6,000
Middleware Upgrade	4,000	(2,100)	1,900
Commercial Vehicles ICT	11,164	(11,164)	0
Commercial Vehicles Courier	44,656	(44,656)	0
Neighbourhoods & Housing (Non)			
Commercial Vehicles Library	22,328	(22,328)	0
Library Management System	3,396	4,604	8,000
Library Capital Works	762,443	(4,604)	757,839
Pembury Circus Land	1,143	(1,143)	0
Pembury Circus Improvement Works	200,000	1,143	201,143
Commercial Vehicles Hygiene	120,270	(120,270)	0
Commercial Vehicles Waste Services	5,667,000	11,164	5,678,164
Commercial Vehicles Recycling O/Head	11,164	(11,164)	0

Local Transport Fund (TFL)	167,932	(67,932)	100,000
Corridors (TFL)	1,765,000	(1,097,791)	667,209
Local Transport Fund (TfL)	100,000	(100,000)	0
Housing			
HiPs North West	16,564,721	(1,558,158)	15,006,563
District Heating System	268,529	6,996	275,525
Hardwire Smoke Alarms	27,000	56	27,056
Commercial Properties	301,578	698,423	1,000,001
Comm Vehicles Estate Cleaning	283,378	(283,378)	0
Comm Vehicles Building Maintenance	0	437,730	437,730
Bridport Place	0	227,019	227,019
B/wide Housing under occupation	612,000	1,082,211	1,694,211
Fresh Start Scheme	0	9,662	9,662
55 Albion Grove Hostel Re-Fit	0	401,979	401,979
Disabled Facilities Grant	2,078,137	(878,137)	1,200,000
External works grant (EWG)	15,000	(15,000)	0
General repairs grant (GRG)	382,803	(178,803)	204,000
Warmth & security grant (WSG)	200,601	49,399	250,000
Estate Renewal Implementation	3,210,435	81,435	3,291,870
ER1 Colville phase 3	16,561	177,799	194,359
Marian Court Phase 3	14,195,674	(1,307,120)	12,888,554
ER1 Colville phase 4	0	1,025,600	1,025,600
ER1 Colville phase 5	0	20,500	20,500
ER1 Colville phase 6	0	1,786	1,786
Housing Supply Programme	1,733,592	10,559	1,744,151
Buckland Street	1,703,494	(10,559)	1,692,935
Kick Start Programme	0	18,200	18,200
Other Heads	64,685	1,495,315	1,560,000
Phase2 & Other Heads	3,046,078	(1,513,515)	1,532,563
Total	62,841,905	(1,506,093)	61,335,811

APPENDICES

One.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.

None.

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