

Southend-on-Sea Borough Council

Report of Corporate Director of Corporate Services
to
Cabinet

on
10th November 2015

Report prepared by: Joe Chesterton
Head of Finance and Resources

Agenda
Item No.

Capital Monitoring for 2015/16 and Revised Capital Programme 2015/16 to 2018/19
Policy and Resources Scrutiny Committee
Executive Councillor: Councillor Woodley
A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 The purpose of this report is to set out the capital expenditure as at 30th September 2015 and to recommend in-year amendments to the approved Capital Programme for 2015/16 to 2018/19 and later years.

2. Recommendations

That the Cabinet recommend to Council that it;

- 2.1 Note the actual capital expenditure position as at 30th September 2015 of £16.128million as shown in Section 4 and Appendix 1.**
- 2.2 Note the financing position of the Capital programme as at 30th September 2015, as set out in Section 5 of this report.**
- 2.3 Approve the proposed changes to the Capital Programme as set out in Appendix 6 to this report.**
- 2.4 Approve the revised Capital Programme for 2015/16 to 2018/19 and later years, that results from these changes, as set out in Appendix 7.**

3. Introduction and Background

- 3.1 In February 2015 the Council approved a Capital Programme for 2015/16 to 2018/19 and later years, totalling £156.221million.
- 3.2 The Capital Outturn report (June 2015) agreed a number of schemes where there were budget under-spends but financial commitments in 2015/16. In addition, due to the Council's improved ability to deliver capital schemes, some capital expenditure due in 2015/16 was delivered early in 2014/15. These

revisions were agreed at the Cabinet meeting on 23rd June 2015 resulting in a total programme for 2015/16 to 2018/19 and later years of £178.229million.

3.3 Throughout the year Capital Board notes changes to the approved capital programme to be put forward to Cabinet for approval and also reviews the latest spending position of the programme. A mid-year review of the programme has also been carried out which included capital challenge sessions with each Corporate Director, led by the Leader of the Council and supported by the Head of Finance and Resources. This review was to re-align the budgets as necessary, to reflect the latest view on the delivery and funding timescales of the projects and to delete/amend schemes as necessary to assist with the financing of the overall programme.

3.4 This report sets out the capital expenditure as at 30th September 2015 and the in-year amendments to the approved Capital Programme for 2015/16 to 2018/19 and later years, with the following appendices:

- Appendix 1 - latest capital expenditure position for the financial year;
- Appendix 2 – graph showing the capital delivery over the last 5 years;
- Appendix 3 - proposed virements between approved schemes;
- Appendix 4 - proposed re-profile of budgets between years;
- Appendix 5 – new schemes financed by new external funding (e.g. s106 and other grants);
- Appendix 6 -summary of the changes to the approved Capital Programme agreed to date and proposed changes;
- Appendix 7 – amended Capital Programme for 2015/16 to 2018/19 and later years.

4. Capital Expenditure Position As at 30th September 2015

4.1 For this report, Appendix 1 shows the latest budget and the expected capital expenditure outturn position as at 30th September 2015. The departmental figures set out in this section are as at 30th September 2015 and are as presented in the Monthly Performance Report. The resulting virements, re-profiles, budget deletions and new external funding are included in the relevant attached appendices.

4.2 The revised Capital budget for the 2015/16 financial year at 30th of September was £63.257million. This includes all changes and budgets carried forward from the previous year as agreed as part of the 2014/15 capital outturn report at June Cabinet and the changes approved at September Cabinet. Actual Capital spend at 30th September was £16.128million. (Outstanding creditors totalling £0.838million have been removed from this figure.) The budget and spend to date is broken down by Department as follows:

Department	Revised Budget 2015/16 £'000	Actual 2015/16 £'000	Expected outturn 2015/16 £'000	Expected Variance to Revised Budget 2015/16 £'000
Corporate Services	10,141	1,415	5,063	(5,078)
People	15,880	5,959	12,083	(3,797)
Place	26,890	5,566	24,125	(2,765)
Housing Revenue Account (HRA)	10,346	3,188	9,645	(701)
Total	63,257	16,128	50,916	(12,341)

Since June and September Cabinet, there have been further revisions proposed to include additional external funding and re-profiling of existing budgets between years and these will be considered for approval as part of this report.

4.3 Department for Corporate Services

4.3.1 The revised capital budget for the Department for Corporate Services is £10.141million. The budget is distributed across various scheme areas as follows:

Department for Corporate Services	Revised Budget 2015/16 £'000	Actual 2015/16 £'000	Expected outturn 2015/16 £'000	Expected Variance to Year End 2015/16 £'000
Accommodation Strategy – Main	179	135	179	-
Accommodation Strategy - CCTV	1	1	1	-
Civic Centre – Server Room	83	-	-	(83)
Tickfield	84	59	84	-
Asset Management (Property)	4,040	511	1,439	(2,601)
Cemeteries & Crematorium	2,360	71	360	(2,000)
ICT Programme	3,339	638	2,945	(394)
Subtotal	10,086	1,415	5,008	(5,078)
Priority Works (see table)	55	-	55	-
Total	10,141	1,415	5,063	(5,078)

Priority Works	£'000
Budget available	1,000
Less budget allocated to agreed schemes	(945)
Remaining budget	55

4.3.2 Actual spend at 30th September stands at £1.415million. This represents 14% of the total available budget.

4.3.3 Accommodation Strategy – Main

As part of the refurbishment of Civic 2, it was originally decided to give the toilets a minor refresh. However the toilets proved to be in a worse condition than realised so it was agreed to undertake a full refurbishment which is now underway. £75k has been allocated for the refurbishment of the toilets and for the creation of a first aid room on the lower ground floor of Civic 1. The first aid room has now been completed and the works to the Civic 2 toilets commenced on 28th September. All works will be completed by the end of November.

4.3.4 Civic Centre – Server Room

The final Server Room works have been amalgamated with other ICT schemes and the budget has been transferred over to ICT in this report to cover part of the forecast overspend on the Core Infrastructure budget.

4.3.5 Tickfield

All building works have now been completed at Tickfield. The final delivery of furniture and signage is still outstanding.

4.3.6 Asset Management (Property)

The development agreement for the Airport Business Park site has now been signed. The rugby pitch and infrastructure works are due to start during Easter 2016. It is estimated that £556k budget will be required during 2015/16 with the remaining £2.3m included as a carry forward request in this report.

The £109k budget for the second phase of the new beach huts has been included in this report as a carry forward request. This is because the project is currently on hold until 2016/17.

Works on the demolition of the Tramstop and refurbishment of Thorpe Hall Avenue toilets are currently at planning stage and they are on track to complete before the end of the financial year.

Various projects within the Victoria Avenue Improvement scheme are currently being considered and costed. It is estimated that only £40k will be required in 2015/16 for feasibility work on the East and Library car parks with the remaining £190k included as a carry forward request in this report.

The Brunel Road Redevelopment scheme is currently under consideration due to viability therefore the £2k budget has been included as a carry forward request in this report.

4.3.7 Cemeteries and Crematorium

The £10k budget for essential Crematorium equipment has been allocated for a replacement fire alarm system in the Crematorium. This is currently with the Property Services team who are carrying out a survey for the tender specification.

The work on the cremator to fully reline the hot bricks is now complete and all invoices have now been paid. This scheme has underspent by £4k which will be used to cover the over-spend on the west chapel pipe organ refurbishment.

The legal negotiating process for the purchase of the new burial ground is on-going. It is estimated that only £279k of the budget will be spent in 2015/16 therefore a carry forward request of £2.0 million has been included in this report.

The west chapel pipe organ refurbishment is complete and has been reinstalled in the West Chapel. The works came in at £4k over budget but there is an under-spend on the reline of the crematorium to cover this.

4.3.8 ICT

My Southend went live on 22nd September as part of the Citizen Account scheme.

Friars and Thorpedene libraries have been replaced by the new Hub Library located in Shoebury Youth Centre and the availability of wireless is part of the new build. Wireless has now been finalised and handed over at Leigh Library. Other libraries are yet to determine their final requirements therefore £17k of the budget has been included as a carry forward request in this report.

The budget on the Vehicle Tracking and Performance System scheme has been allocated to fund the Dial a Ride replacement system. The system has now been procured.

Works have begun on the Wireless Borough/City Deal to implement WiFi in areas of the town with high footfall and to develop greater social inclusion. The contract is now out to tender. The remaining budget of £371k has been included in this report as a carry forward request as the works are not expected to begin until 2016/17.

The final works on the new server room are taking place as part of the ICT Core Infrastructure scheme and a transfer of the £83k budget has been requested as part of this report to cover the forecast spend. A further £660k accelerated delivery request has been included to cover further planned works on this scheme.

The Re-provision of Care First scheme will continue into the next financial year and £470k of the 2015/16 budget has been included as a carry forward request in this report.

Final projects for the Capita One Enhancements and Developments are still to be discussed and agreed with Childrens Services and progress is not expected until 2016/17. A carry forward request of £32k has been included in this report to continue the project in 2016/17.

The ICT Enterprise Agreement has provided some management software called Microsoft System Centre which is currently in the process of being tested. The payment arrangements as part of the agreement cover numerous financial years therefore a carry forward request of £154k has been included in this report to continue the support.

The E-Procurement System project is currently with procurement and no action is expected in 2015/16. The full budget of £53k has been included as a carry forward request in this report.

The new Cash Receipting System went live to S-cloud on 10th August. A carry forward request of £15k has been included in this report to continue the works to the system.

The systems on the Pier are currently being upgraded and the plan for 2015/16 is to spend £155k on CCTV/Public Safety systems and Symology. The remaining £25k has been included as a carry forward request in this report.

4.3.9 Priority Works

The Priority works budget currently has £55k remaining unallocated.

4.3.10 Summary

Carry forward requests included in this report are Pier ICT Improvement Programme for £25k, Capita One Enhancements for £32k, ICT Enterprise Agreement for £154k, ICT E-Procurement System for £53k, Libraries Wireless Project for £17k, Replacement and Enhancement of Cash Receipting System for £15k, Wireless Borough City Deal for £371k, Southend Airport Business Park for £2.3m, Brunel Road Redevelopment for £2k, New Beach Huts phase two for £109k, Victoria Avenue Improvements for £190k, Re-provision of Carefirst for £470k and the New Burial Ground for £2.0 million.

An accelerated delivery request of £660k on the ICT Core Infrastructure scheme has been included in this report.

A request to transfer £83k from the Server Room to ICT is also included in this report.

4.4 Department for People

4.4.1 The Department for People revised Capital budget totals £15.880million.

Department for People	Revised Budget 2015/16 £'000	Actual 2015/16 £'000	Forecast outturn 2015/16 £'000	Variance to year end 2015/16 £'000
Adult Social Care	2,698	137	1,029	(1,669)
General Fund Housing	2,926	523	1,606	(1,320)
Children & Learning Other	180	4	116	(64)
Condition Schemes	1,381	665	1,137	(244)
Devolved Formula Capital	310	297	310	-
Primary School Places	8,385	4,333	7,885	(500)
Total	15,880	5,959	12,083	(3,797)

4.4.2 Actual spend at 30th September stands at £5.959million. This represents 38% of the total available budget.

4.4.3 Adult Social Care

The Adult Social Care budget consists of the Community Capacity grant which includes £172k for the Care Act capital scheme. The remainder of the Community Capacity grant will be spent on major adaptations that will enable vulnerable individuals to remain in their own homes and to assist in avoiding delayed discharges from hospital. £420k of this budget is estimated to be spent in 2015/16 therefore the remaining budget of £269k has been included in this report as a carry forward request.

The budget for Mental Health has now been allocated to be spent on crisis provision, enabling mental wellbeing and a community recovery college in 2015/16.

Adult Social Care also includes a £165k grant from the Department of Health for Transforming Care Housing. Plans are underway to redesign the support given to people with Learning Disabilities, Autism and Aspergers.

The feasibility study for the Viking Day Service Provision is underway. The remainder of the project is not expected to commence in 2015/16 therefore budget totalling £1.4m has been included as a carry forward request in this report.

4.4.4 General Fund Housing

A thorough review of how the Disabled Facilities service is delivered is currently being undertaken and a report on the outcome will be published in the autumn.

Only £900k of the 2015/16 budget is forecast to be spent therefore a carry forward request of £129k has been included in this report.

The Private Sector Renewal scheme is in place to ensure that the private sector stock is kept in a good condition. It is expected that £500k will be required in 2015/16 therefore the remaining budget of £744k has been included as a carry forward request in this report.

The Empty Dwellings Management scheme is currently concentrating on bringing more empty homes back into use. It is not expected that the full budget will be required in 2015/16 therefore a carry forward request of £338k has been included in this report.

The Private Sector Housing Works in Default Enforcement budget is on-going and only £60k will be required to cover enforcements in 2015/16 therefore a carry forward request of £90k has been included in this report.

The £19k budget for Choice Based Lettings is no longer required and has been removed in this report.

4.4.5 Children & Learning Other Schemes

The Short Breaks for Disabled Children scheme has only spent £4k to date and no more is expected for 2015/16. A carry forward request of £64k has been included in this report.

Retentions of £80k are being held against projects at Hinguar Primary and Kingsdown Special Schools and will be paid once outstanding snagging and defects works are completed and fully signed off. This figure is included in the creditors shown above.

4.4.6 Condition Schemes

A budget of £1.381m has been allocated to address larger conditions in schools where the cost is over the schools capabilities to fund. Of this amount, £229k is for projects started in 2014/15. Most of these works have been undertaken over the summer holidays to minimise disruption to the schools.

Retentions of £28k are being held for works completed in 2014/15 at eight primary schools. This figure is included in the creditors shown above.

The scheme to rewire Prince Avenue Primary School is ahead of schedule and the main works will be taking place in 2015/16. An accelerated delivery request of £81k has been included in this report to fund the additional works taking place.

Condition schemes at Edwards Hall and Futures Community College are progressing but they are expected to continue into 2016/17. Carry forward requests of £58k and £12k have been included in this report.

Requests to remove the budgets for Shoebury Youth Centre, Chase High Boilers, Temple Sutton Underpinning and West Leigh Junior Gables totalling £135k have been included in this report as these schemes have now finished.

The £10k grant funding on the Shoebury Youth Centre will be transferred to the Library Review scheme in Culture to replace part of the borrowing to fund the new library in Shoeburyness.

A request to transfer the £120k budget on the Youth Service Review scheme to the Library Review project in Culture has been included in this report. This is to support works on the new Library in Shoeburyness.

4.4.7 Devolved Formula Capital

This is an annual devolution of dedicated capital grant to all maintained schools. The grant for 2015/16 is £310k.

4.4.8 Primary School Places

Capital expansions, both permanent and temporary are on-going to supply primary places to meet significant increased demands. In 2015/16, spend of £8.385m is programmed. This covers large, multi-year projects at St Helen's Catholic Primary, Sacred Heart Catholic Primary, Hamstel Infant and Juniors, The Federation of Greenways Schools, Darlington Primary, St Mary's Prittlewell C of E Primary and Porters Grange Primary Schools.

The contractors are on site at St Helens and a carry forward request of £500k has been included in this report to meet contract milestones in 2016/17.

A further £79k is also being held as retention payments against works completed in 2014/15 on smaller expansion projects. This figure is included in the creditors shown above.

4.4.9 Summary

Carry forward requests that have been included in this report include Viking Day Service Provision for £1.4m, Empty Dwellings Management for £338k, Works in Default Enforcement for £90k, Community Capacity for £269k, Disabled Facilities for £129k, Private Sector Renewal for £744k, Edwards Hall Roof for £58k, Futures Heating and Pipe Ducts for £12k, St Helens for £500k and Short Breaks for Disabled Children for £64k.

An accelerated delivery request for Prince Avenue Rewire for £81k has also been included in this report.

£120k will be transferred from Youth Service Review to the Library Review Scheme in Culture.

£19k budget for Choice Based Lettings, £10k for Shoebury Youth Centre, £34k for Temple Sutton Underpinning, £70k for West Leigh Gables and £21k for Chase High Boilers will be removed from the capital programme.

4.5 Department for Place

4.5.1 The Department for Place have a revised capital budget of £26.890million. Budget and spend breakdown of the key capital schemes are tabulated below.

Department for Place	Revised Budget 2015/16 £'000	Actual 2015/16 £'000	Expected outturn 2015/16 £'000	Expected Variance to Year End 2015/16 £'000
Culture	3,748	1,622	3,517	(231)
Enterprise, Tourism & Regeneration	3,972	62	2,993	(979)
Coastal Defence	2,606	587	1,733	(873)
Highways and Infrastructure	4,847	509	4,847	-
Parking Management	550	98	550	-
Section 38 & 106 Agreements	1,690	94	1,038	(652)
Local Transport Plan	2,794	1,134	2,794	-
Local Growth Fund	2,420	189	2,420	-
Transport	814	387	784	(30)
Waste	597	565	597	-
Energy Saving Projects	2,852	319	2,852	-
Total	26,890	5,566	24,125	(2,765)

4.5.2 Actual spend at 30th September stands at £5.566million. This represents 21% of the total available budget.

4.5.3 Culture

The drainage works at Belfairs Golf Course are now complete. Other drainage works at Belfairs Park and Southchurch Park are on site and nearing completion.

New external funding totalling £260k from Sport England to part fund the Belfairs Swim Centre Health and Safety works has been added to the capital

programme in this report. The project is now complete and this grant will fund works already carried out.

Works to replace the floor in the auditorium at the Cliffs Pavilion are now complete. External works above the Maritime Room are on-going with a scheduled completion date of March 2016. A specification for tender for the under-croft piping replacement is currently being drawn up with a proposal to go out during November.

Works have now commenced on the Hard Surface Path Improvements in the Parks with a newly appointed contractor. Subject to weather conditions, the works should complete within the current financial year.

The Library Review was partly used to fund the new Shoeburyness Library which opened on 14th September. A programme of works is currently being developed for improvements at Leigh, Westcliff and Kent Elms Libraries to utilise the remainder of the budget. A carry forward request of £130k has been included in this report to continue these works.

New external funding for £10k from Cory Environmental has been added to the capital programme in this report to fund works on the Milton Gardens Children's Multi Play Unit.

Scheduled Ancient Monument Consent has now been received for the works to Priory Park Water Main. A start date has been proposed for 26th October.

The publication date for the research on the Prittlewell Prince is later than anticipated therefore the full budget of £38k has been included in this report as a carry forward request.

Works are progressing on the refurbishment of the war memorials within the Borough. The works on the Cenotaph have been completed and the refurbishment of the Victory Sports Ground gates commenced on 31st August. Future works are scheduled for the St Erkenwalds Memorial at Sutton Road Cemetery and the Priory Park War Memorial.

Plans are being made for the use of the Pump Priming Budget for 2016/17 and the full budget of £333k has been included in this report as a carry forward request.

4.5.4 Enterprise, Tourism & Regeneration

The Regeneration projects include all the work currently taking place on Southend Pier and the City Deal Incubation Centre as well as the Coastal Communities Fund.

Tenders for the concrete and structural repairs needed on the pier have come in over budget and are currently being value engineered to propose a way forward.

A technical issue with the repair of the Prince George Extension on the pier has caused delays and it is likely that a carry forward request will be required once more detail is known for the costs involved in 2015/16.

The timeframe for spend on the Coastal Communities Fund has been extended by the Big Lottery and CLG. Negotiations are continuing with the Yacht club to enable delivery of the lagoon and costs of enabling works are being explored. It is estimated that around £200k will be spent in 2015/16 with the remaining £948k included as a carry forward request in this report.

The works for emergency maintenance on Pier Hill lifts are now complete and there is a forecast under-spend of £4k once the final invoices have come in. This has been removed from the capital programme in this report.

The £27k budget on Western Esplanade Cliffs Stabilisation is no longer required and the full budget will be transferred to cover the over-spend on the Coastal Defence Storm Damage scheme. This has been included in this report.

4.5.5 Coastal Defence

Works for the cliff stabilisation at Clifton Drive commenced on 12th April and are progressing well.

A grant from DeFRA is in the process of being claimed for improving resilience to private properties. The budget for this was originally set at £1.5m but it is expected that only £600k will be spent therefore £900k has been removed from the budget in this report.

The £27k over-spend relates to the Coastal Defence Storm Damage scheme and a transfer from Western Esplanade Cliffs stabilisation will be used to cover this.

4.5.6 Highways and Infrastructure

Plans for 2015/16 are currently in hand and implementation works have commenced for the Highways Planned Maintenance schemes. These will continue on a phased basis for the remainder of the financial year.

Further discussions have taken place with Network Rail about moving the fence separating the Cinder Path from Essex Thameside Rail Link. Once the estimate has been received from the contractor, works can be programmed to coincide with the next appropriate rail possession. Resurfacing of the widened Cinder Path can then commence. It is anticipated that works will commence after Christmas with the associated resurfacing works planned before the end of the financial year. The programme is dependent on a suitable quote being received from the contractor.

The revised Street Lighting budget is a multi-million pound, multi-year scheme to be part funded by the Challenge fund from the Department for Transport. Surveys have commenced to prepare for the cast iron replacements and the sleeve manufacturer has started measuring the concrete columns so that materials can be ordered. The contractor is currently working in Eastwood to fit sleeves to concrete columns where LED lanterns have been fitted previously. This work will continue for the remainder of the year.

4.5.7 Parking Management

Works to the Civic Centre North car park are well underway and expected to complete during October. Any surplus funding will be utilised for works on the Library car park and works to improve the other Borough car parks.

4.5.8 Section 38 and Section 106 Schemes

There are a number of S38 and S106 schemes all at various stages. The larger schemes include works to Fossetts Farm Bridleway and North Shoebury Road.

Schemes totalling £604k have been identified as delayed until 2016/17 therefore a carry forward request has been included in this report. £61k of additional S106 funds and the removal of £109k S106 funds have also been included in this report.

4.5.9 Local Transport Plans (LTP Schemes)

Various schemes are now underway for Better Networks and Better Sustainable Transport. A few delays are currently being experienced in the works for Better Operations of Traffic Control Systems and the Highways team are currently working to resolve this.

Programmed resurfacing works have now commenced and are set to continue for the remainder of the summer months.

4.5.10 Local Growth Fund

The A127 Growth Corridor projects will support the predicted growth associated with London Southend Airport and the Joint Area Action Plan (JAAP) proposals developed by Southend, Rochford and Essex County Councils to release land and create 7,380 high value jobs on new business. The improvement will also support background growth of Southend and Rochford.

The business cases for A127 Kent Elms and Bridge and Highway Maintenance have been approved by South East Local Enterprise Partnership Individual Technical Evaluator to draw down 2015/16 funding. Further work is underway to support the business cases for 2016/17 onwards. 2015/16 works for Kent Elms will be focussing on the design and construction of the advance surface crossing works and design and survey work for the main junction improvement works. Advance utility diversion works for the new surface crossing are nearing completion. Ground penetration radar and drainage surveys are complete and being reviewed. A bridge survey has been commissioned and is currently waiting for a programme. Works on the Bell junction will be focussing on survey work to inform the design for the main junction improvement works. Once Kent Elms survey works have been received and reviewed, similar surveys will be commissioned for the Bell. Bridge and Highway Maintenance will be focussing on investigation works for the improvement to the A127 corridor and also necessary surfacing to the east bound section of the A127 from Boundary to just prior to the Progress Road improvement works.

4.5.11 Transport

Main works on the A127 Tesco junction improvements were completed on 29th March 2015 with the switching on of the traffic signals. Traffic signal monitoring will continue to be adjusted as necessary. Repairs to the defects are now underway.

Minor adjustments to traffic signals on Progress road are yet to be completed.

Southend Transport Model is an on-going scheme to support various multi modal transport projects. Spend is expected at £62k in 2015/16 and a carry forward request of £30k has been included in this report.

4.5.12 Waste

There are commitments for the year in relation to the Commercial Waste and Recycling Centre which will involve ground works, a salt dome and refurbishment of the toilets. Some disused buried structures and contaminated soil have been discovered on site and this has slightly delayed the project. Works are due to finish during October with final snagging to be carried out and the final accounts to be reviewed.

4.5.13 Energy Saving Projects

Solar panels have been part installed at Southend Adult Community College and Temple Sutton Primary School. The gas boilers have now been installed at Southend Adult Community College and a tender for energy efficiency work is due to go out at the end of October. The biomass boiler installation started on 3rd October at Temple Sutton and the windows installation is to be completed by February 2016 based on weekend and holiday working.

Some improvements have been made to the Civic Centre heating controls but this has not fully resolved the issue. New thermostats are due to be installed along with a new burner and gas booster on the boiler and this is now out to tender.

4.5.14 Summary

Carry forward requests that have been included in this report are Prittlewell Prince Museum for £38k, Pump Priming Budget for £333k, Library Review for £130k, Coastal Communities Fund for £948k, Southend Transport Model for £30k and various S106 schemes totalling £604k.

£61k of S106 funds have been added and £109k have been removed as part of this report.

The under-spend on the Pier Hill lifts emergency maintenance of £4k and £900k for the Flooding Repairs and Renewals have been removed from the capital programme as part of this report.

A request to transfer the £27k budget on Western Esplanade Cliffs Stabilisation to Coastal Defence Storm Damage has been included in this report.

New external funding totalling £260k will be added to the capital programme for Belfairs Swim Centre Health and Safety works and £10k for the Milton Gardens Children's Multi Play Unit.

4.6 Housing Revenue Account

4.6.1 The revised budget for the Housing Revenue Account capital programme for 2015/16 is £10.346million. The latest budget and spend position is as follows:

Housing Revenue Account	Revised Budget 2015/16 £'000	Actual 2015/16 £'000	Expected outturn 2015/16 £'000	Forecast Variance to Year End 2015/16 £'000
Decent Homes Programme	7,314	2,825	6,994	(320)
Council House Adaptations	500	239	500	-
Sheltered Housing Remodelling	345	-	-	(345)
32 Byron Avenue	16	-	16	-
Other HRA	2,171	124	2,135	(36)
Total	10,346	3,188	9,645	(701)

4.6.2 The actual spend at 30th September of £3.188million represents 31% of the HRA capital budget.

4.6.3 Decent Homes Programme

The on-going Decent Homes schemes are continuing in 2015/16. Kitchens, bathrooms and electrical works are programmed to be complete by December 2015. Additional works are being undertaken to upgrade boilers following requirements identified during the Gas Servicing Programme.

Some of the works for Common Area Improvements and Environmental Health and Safety are currently delayed and carry forward requests of £220k and £100k have been included in this report.

4.6.4 Council House Adaptions

This budget relates to minor and major adaptations in council dwellings. Spend depends on the demand for these adaptations and works are currently in progress for 2015/16.

4.6.5 Sheltered Housing Remodelling

There are no plans for the Sheltered Housing Remodelling budget in 2015/16. The budget of £345k has been included in this report as a carry forward request.

4.6.6 S106/RTB funded schemes

The build at 32 Byron Avenue is now complete and settlement of the final accounts is expected by the end of 2015.

4.6.7 Other HRA

A scheme to review HRA land is currently underway and planning permission was received on 15th April for the proposed sites. The plan is to construct 18 housing units within the Shoeburyness ward. The tender for construction is currently out for approval with an anticipated start date on site in early 2016. £30k S106 funding has been received to contribute to the feasibility stage of this scheme. A further budget for a S106 contribution as part of the main scheme was duplicated and £66k has been removed from the programme as part of this report to correct this.

4.6.8 Summary

Carry forward requests for Common Area Improvements for £220k, Environmental Health and Safety for £100k and Sheltered Housing for £345k have been included in this report.

£30k S106 contribution has been added to the HRA Land Review feasibility and £66k has been removed from the HRA Land Review main scheme as part of this report.

5 Capital financing position as at 30th September 2015

5.1 The Capital programme for 2015/16 is expected to be financed as follows:

Department	External Funding			Total Budget £'000
	SBC Budget	Grant Budget	Developer & Other Contributions	
	£'000	£'000	£'000	
Corporate Services	10,074	67	-	10,141
People	3,373	12,507	-	15,880
Place	15,160	9,740	1,990	26,890
Housing Revenue Account (HRA)	10,232	-	114	10,346
Total	38,839	22,314	2,104	63,257

The funding mix for the total programme could change depending on how much grant and external contributions are received by the Council by the end of the year.

5.2 The grants and external contributions received as at 30th September are as follows:

Department	Grant Budget	Developer & Other Contribution Budget	Total external funding budget	External funding received	External funding outstanding
	£'000	£'000	£'000	£'000	£'000
Corporate Services	67	-	67	67	-
People	12,507	-	12,507	9,958	2,549
Place	9,740	1,990	11,730	7,787	3,943
Housing Revenue Account (HRA)	-	114	114	35	79
Total	22,314	2,104	24,418	17,847	6,571

5.3 New Schemes to be financed by new external funding are set out in appendix 5.

6 Summarised Changes (as set out in appendix 6)

- 6.1 On 26th February 2015 the Capital Programme for the Council was approved as follows:

2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000	2018/19 & later years Budget £000	Total Current Budget £000
53,505	34,648	37,296	30,772	156,221

- 6.2 On 23rd June 2015 members approved further changes which subsequently changed the 2015/16 budget from £53.505million to £61.775million. These changes included the carry forward and accelerated delivery of previous year's programme of £7.005million. Also included were budget re-profiles and adjustments totalling £1.872million, new external funding of £1.852million and other adjustments of £1.285million.

- 6.3 On 22nd September 2015 members approved further changes to the 2015/16 budget of £1.482million bringing the budget to £63.257million.

- 6.4 Further changes now requested will amend the 2015/16 budget to £51.539million. These include the removal of budgets identified as no longer required totalling £1.233million and a new budget of £325k relating to the exit costs for 93-99 Southchurch Road to be funded from Reserves. Also a new budget of £18k to be added to the Culture Capital Programme to be funded from Capital Receipts following the sale of some machinery to fund some new items. The changes also include the following:

- 6.5 Virement requests (as set out in appendix 3)

This is reported in appendix 3 and it is to ensure that budgets are properly aligned to schemes. There is no change to the overall budget and there are no adverse financial implications as a result of these virements.

- 6.6 Re-profile Request (as set out in appendix 4)

The funding profiles of a number of schemes have been revised in line with actual works. This is to ensure that the actual works undertaken or earmarked is aligned to spend profile of the budget. This will have the effect of carrying forward £12.090million from 2015/16 into 2016/17 and later years and an accelerated spend of £0.741million in 2015/16 which will be financed from the 2016/17 and 2017/18 programmes. This does not alter the overall budget for the programme.

- 6.7 New Schemes Financed by new external funding (as set out in appendix 5)

There is new funding of £0.521million to support programmes in 2015/16 and £0.090million to support programmes in 2016/17.

7. Spending Plans

- 7.1 The Council's revised Capital Programme for 2015/16 to 2018/19 and later years is attached as Appendix 7 which includes all of the adjustments set out in Appendix 6.
- 7.2 The proposed capital programme represents a significant investment of £179million on the part of the Council in the Southend area and the projected investment in 2015/16 alone amounts to some £52million.

8. Other Options

- 8.1 The proposed Capital Programme is made from a number of individual projects, any of which can be agreed or rejected independently of the other projects.

9. Reasons for Recommendations

- 9.1 To approve changes to the Capital Programme as noted at Capital Board and other proposed changes since the last Cabinet meetings on 23rd June 2015 and 22nd September 2015.

10. Corporate Implications

- 10.1 Contribution to Council's Vision & Corporate Priorities

The projects directly contribute to the delivery and achievement of the Council's Corporate Priorities.

- 10.2 Financial Implications

As set out in the report.

- 10.3 Legal Implications

None at this stage.

- 10.4 People Implications

None at this stage.

- 10.5 Property Implications

None at this stage.

- 10.6 Consultation

Consultation has taken place as agreed in the budget timetable.

10.7 Equalities and Diversity Implications

Assessments have been carried out for all capital investment proposals.

10.8 Risk Assessment

All capital projects are delivered using best practice project management tools as appropriate. This requires a full risk assessment and management review to be carried out. The programme includes an appropriate sum within each project to cover build risk and claims.

10.9 Value for Money

All projects are required to follow and adhere to procurement guidance issued by the Council. They must also comply with procedure rules for entering into and managing contracts with suppliers.

10.10 Community Safety Implications

Assessments have been carried out for all capital investment proposals where appropriate.

10.11 Environmental Impact

Assessments have been carried out for all capital investment proposals where appropriate.

11. Background Papers

None.

12. Appendices

Appendix 1 - latest capital expenditure position for the financial year;

Appendix 2 - graph showing the capital delivery over the last 5 years;

Appendix 3 - proposed virements between approved schemes;

Appendix 4 - proposed re-profile of budgets between years;

Appendix 5 – new schemes financed by new external funding (e.g. s106 and other grants);

Appendix 6 - summary of the changes to the approved capital programme agreed to date and proposed changes;

Appendix 7 – amended Capital Programme for 2015/16 to 2018/19 and later years.