

Southend-on-Sea Borough Council

Agenda
Item No.

Report of the Chief Executive
to
Cabinet
on
7 November 2017

Report prepared by: Joe Chesterton
Director of Finance and Resources

Capital Monitoring for 2017/18 and Revised Capital Programme 2017/18 to 2020/21
Policy and Resources Scrutiny Committee
Executive Councillor: Councillor Lamb
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 30 September 2017 and to recommend in-year amendments to the approved Capital Programme for 2017/18 to 2020/21.

2. Recommendations

That the Cabinet recommend to Council that it;

- 2.1 Note the actual capital expenditure position as at 30 September 2017 of £27.790million as shown in Section 4 and Appendix 1.**
- 2.2 Note the financing position of the Capital programme as at 30 September 2017, 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 2017/18 to 2020/21 that results from these changes, as set out in Appendix 7.**

3. Introduction and Background

- 3.1 In February 2017 the Council approved a Capital Programme for 2017/18 to 2020/21 totalling £213.044million.
- 3.2 The Capital Outturn report (June 2017) agreed a number of schemes where there were budget under-spends but financial commitments in 2017/18. In addition, due to the Council's improved ability to deliver capital schemes, some

capital expenditure due in 2017/18 was delivered early in 2016/17. These revisions were agreed at the Cabinet meeting on 20 June 2017 resulting in a total programme for 2017/18 to 2020/21 of £232.293million.

3.3 Throughout the year changes to the approved capital programme are put forward to Cabinet for approval and also members review the latest spending position of the programme on a monthly basis. A mid-year review of the programme has also been carried out which included capital challenge sessions with the Chief Executive and each Deputy Chief Executive, led by the Executive Councillor for Corporate and Community Support Services and supported by the Director 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 30 September 2017 and the in-year amendments to the approved Capital Programme for 2017/18 to 2020/21 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 2017/18 to 2020/21.

4. Capital Expenditure Position As at 30 September 2017

4.1 For this report, Appendix 1 shows the latest budget and the expected capital expenditure outturn position as at 30 September 2017. The departmental figures set out in this section are as at 30 September 2017. 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 2017/18 financial year at 30 September was £95.571million. This includes all changes and budgets carried forward from the previous year as agreed as part of the 2016/17 capital outturn report at June Cabinet. Actual Capital spend at 30 September was £27.790million. (Outstanding creditors totalling £0.836million have been removed from this figure.) The budget and spend to date is broken down by Department as follows:

Department	Revised Budget 2017/18 £'000	Outturn to 30 September 2017/18 £'000	Expected outturn 2017/18 £'000	Latest Forecast Variance to Year End 2017/18 £'000
Chief Executive	24,094	13,097	17,464	(6,630)
People	16,709	2,617	9,278	(7,431)
Place	42,660	10,078	28,984	(13,676)
Housing Revenue Account (HRA)	12,108	1,998	10,608	(1,500)
Total	95,571	27,790	66,334	(29,237)

4.3 Department of the Chief Executive

4.3.1 The revised capital budget for the Department of the Chief Executive is £24.094million. The budget is distributed across various scheme areas as follows:

Department of the Chief Executive	Revised Budget 2017/18 £'000	Outturn to 30 September 2017/18 £'000	Expected outturn 2017/18 £'000	Latest Forecast Variance to Year End 2017/18 £'000
Asset Management (Property)	23,319	12,889	16,689	(6,630)
Cemeteries & Crematorium	492	208	492	-
Subtotal	23,811	13,097	17,181	(6,630)
Priority Works (see table)	283	-	283	-
Total	24,094	13,097	17,464	(6,630)

Priority Works	£'000
Budget available	500
Less budget allocated to agreed schemes	(217)
Remaining budget	283

4.3.2 Actual spend at 30 September stands at £13.097million. This represents 54% of the total available budget.

4.3.3 Asset Management (Property)

A budget of £170k in relation to Seaways has been included in this report as a carry forward request as the payment for the unconditional agreement is not anticipated until summer 2018.

The demolition of the former toilets at Darlows Green is currently being specified and is expected to start in early 2018. It is likely that the majority of the works will be carried out from April onwards therefore £40k of the current budget has been included as a carry forward request in this report.

Following the purchase of the former gas works site on 21st July, the remaining budget of £2million is required for remediation works which are planned to take place in 2019/20. This budget has therefore been included in this report as a carry forward request.

Planning consent has now been granted for the Library Car Park reconstruction and enhancement scheme but the tender process has been delayed resulting in an expected start date of April 2018. Due to this delay, budget of £3.861million has been included as a carry forward request in this report.

A scheme to enable the Council to take advantage of any opportunities to acquire commercial properties along Southchurch Road if they come to the market currently has a provision of £500k in 2017/18. No property deals have currently been agreed therefore the full budget of £500k has been included as a carry forward request in this report.

Planning, building control and the tender process required for the works on Pier Arches toilets is underway and works on site are anticipated for January 2018. £30k of the current budget has been included in this report as a carry forward request.

The remaining budget of £29k on the Thorpe Hall Avenue Toilet Refurbishment scheme is no longer required therefore the full budget has been removed in this report.

4.3.4 Cemeteries and Crematorium

Landscaping works are being finalised and the site tidied on the plot of land identified in Sutton Road Cemetery.

The final solution has been decided for the boiler replacement at Southend Crematorium and this is now going through the tender process. Works are scheduled for December.

4.3.5 Priority Works

The Priority works provision budget currently has £283k remaining unallocated.

4.3.6 Summary

Carry forward requests included in this report include £170k for Seaways, £40k for Darlows Green former WCs demolition, £2million for Land Acquisition works, £3.861million for Library Car Park Reconstruction and Enhancement, £500k for Queensway Commercial Property and £30k for Pier Aches Toilets Waterproofing Solution.

The £29k budget on Thorpe Hall Avenue Toilet Refurbishment has been removed from the capital programme.

4.4 Department for People

4.4.1 The Department for People revised Capital budget totals £16.709million.

Department for People	Revised Budget 2017/18 £'000	Outturn to 30 September 2017/18 £'000	Expected outturn 2017/18 £'000	Latest Expected Variance to year end 2017/18 £'000
Adult Social Care	1,758	79	627	(1,131)
General Fund Housing	3,246	492	1,510	(1,736)
Children & Learning Other	64	14	-	(64)
Condition Schemes	704	327	704	-
Devolved Formula Capital	173	172	173	-
Early Years	536	90	536	-
Primary and Secondary School Places	10,228	1,443	5,728	(4,500)
Total	16,709	2,617	9,278	(7,431)

4.4.2 Actual spend at 30th September stands at £2.617million. This represents 16% of the total available budget.

4.4.3 Adult Social Care

The Community Capacity grant is used to enable vulnerable individuals to remain in their own homes and to assist in avoiding delayed discharges from hospital. Plans for 2017/18 include project management for social care redesign, costs of sheltered housing review outcomes, development of independent living centre and investment in technology and equipment to promote independence. Total spend of £450k is forecast for 2017/18 therefore an accelerated delivery request of £4k has been included in this report.

The majority of the works on the redevelopment of the Priory site will take place in 2018/19 therefore a large proportion of the budgets on the two Priory schemes have been included in this report. These total £936k.

Plans for the Mental Health funding budget include a technology project to assist people with mental health. This project is likely to take place during 2018/19 therefore the full budget of £36k has been included as a carry forward request in this report.

An individual has been identified for the use of the Transforming Care Housing budget of £163k but this is unlikely to commence until 2018/19. The full budget has therefore been included as a carry forward request in this report.

4.4.4 General Fund Housing

The Private Sector Renewal scheme is in place to ensure that the private sector stock is kept in a good condition. £615k of the current budget has been included as a carry forward request in this report.

The Private Sector Housing Works in Default scheme is currently planning for 2018/19 spend therefore the full budget of £138k has been included in this report as a carry forward request.

The £16k budget on the Warmer Health Homes scheme has been removed from the capital programme in this report as there are no further works planned.

The Empty Dwellings Management scheme is in place to fund works authorised under an Empty Dwellings Management Order (EDMO) to bring long term empty homes back into use and to a habitable standard. Plans are being made for 2018/19 therefore the full budget of £357k has been included in this report as a carry forward request.

The Disabled Facilities scheme is programmed to spend around £1.5million in 2017/18 therefore the remaining budget of £610k has been included as a carry forward request in this report.

4.4.5 Children & Learning Other Schemes

Retentions have now been paid Kingsdown Special School roof works so this scheme is now complete.

The full £64k budget on the Short Breaks for Disabled Children scheme has been carried forward in this report to enable suitable plans to be made for the remainder of this grant.

4.4.6 Condition Schemes

A budget of £704k has been allocated to address larger conditions in schools where the cost is over the schools capabilities to fund. Most of these works have been undertaken over the school summer holidays to minimise disruption

to the schools. Retentions of £20k are being held for works completed last year at seven primary schools.

4.4.7 Devolved Formula Capital

This is an annual devolution of dedicated capital grant to all maintained schools. The grant for 2017/18 is £173k. This grant amount will reduce as further maintained schools convert to academy status.

4.4.8 Primary and Secondary School Places

The primary expansion programme is now complete with final retention payments of £69k being held against five projects until the twelve month snagging period is over. A watching brief of demand against availability will be kept. If a need is identified, a further expansion of primary places will be explored to ensure that the council's statutory duty to provide a good school place for all those that request it can be met.

A secondary expansion programme is progressing to ensure that the extra places supplied in primary are matched in secondary as they are needed. The contractors are currently on site at Shoeburyness High School. St Thomas Moore are entering planning stage and one other secondary school is progressing a feasibility study. Works at Wentworth Road site and Southchurch High School are commencing during October. A carry forward request of £4.5million has been included in this report to continue the scheme into 2018/19.

4.4.9 Summary

Carry forward requests included in this report are LATC Delaware and Priory for £839k, Mental Health funding for £36k, Transforming Housing Care for £163k, Priory House Condition Works for £97k, Disabled Facilities Grant for £610k, Private Sector Renewal for £615k, Private Sector Renewal Works in Default for £138k, Short Breaks for Disabled Children for £64k, Empty Dwelling Management for £357k and School Improvement and Provision for Secondary School Places for £4.5million.

An accelerated delivery request of £4k has also been included for the Community Capacity scheme.

The £16k budget on Warmer Healthy Homes has been removed from the Capital Programme in this report.

4.5 Department for Place

4.5.1 The Department for Place have a revised capital budget of £42.660million. Budget and spend breakdown of the key capital schemes are tabulated below.

Department for Place	Revised Budget 2017/18 £'000	Outturn to 30 September 2017/18 £'000	Expected outturn 2017/18 £'000	Latest Expected Variance to Year End 2017/18 £'000
Culture	5,577	332	2,217	(3,360)
ICT Programme	4,914	1,371	3,389	(1,525)
Enterprise, Tourism & Regeneration	6,371	1,824	6,838	467
Southend Pier	3,767	489	2,478	(1,289)
Coastal Defence and Foreshore	923	101	277	(646)
Highways and Infrastructure	6,414	3,224	6,339	(75)
Parking Management	612	72	492	(120)
Section 38 & 106 Agreements	2,293	47	854	(1,439)
Local Transport Plan	2,974	772	1,698	(1,276)
Local Growth Fund	5,477	1,514	3,582	(1,895)
Community Safety	420	-	20	(400)
Transport	540	51	200	(340)
Energy Saving Projects	2,378	281	600	(1,778)
Total	42,660	10,078	28,984	(13,676)

4.5.2 Actual spend at 30th September stands at £10.078million. This represents 24% of the total available budget.

4.5.3 Culture

Roof repairs at Belfairs Swim Centre are to take place in 2018/19 as part of a new capital bid being put forward therefore £40k of the current budget has been included as a carry forward request in this report.

A delay in the results of the Geo-Technical surveys means that the works on Belton Hill Steps will not take place until 2018/19. £1.467million of the current budget has been included as a carry forward request in this report.

Design works are being undertaken at the Central Museum. These works will continue into 2018/19 therefore £120k of the budget has been included as a carry forward request in this report.

Further design works have been commissioned on the external refurbishment works at the Cliffs Pavilion. £250k of the budget has been included as a carry forward request in this report to carry out these works.

Procurement is pending on the works for Energy Improvements in Culture Property Assets. £55k of the budget has been included as a carry forward request in this report as it is expected that procurement will complete by year end.

Design works are now underway at Leigh Library with the majority of the works programmed for 2018/19. A carry forward request of £156k has been in this report as a carry forward request.

The technical design contract has been awarded for the New Museum scheme and work is gearing up towards the gateway review in spring 2018. £750k of the budget has been included as a carry forward request in this report.

Work is underway on design for the air handling units at the Palace Theatre but issues with the listed building status are causing delays and it is unlikely these issues will be resolved this financial year to enable the scheme to be completed. £220k of the budget has been included as a carry forward request in this report to enable the works to be programmed for 2018/19.

Works on the publication for the Prittlewell Prince research are currently being finalised by the Museum of London Archaeology but it is unlikely to be published in 2017/18. The full budget of £38k has therefore been included in this report as a carry forward request.

The Prittlewell Prince Storage scheme is occurring alongside the research and will not be required until the publication has been finalised. Therefore the full budget of £35k has also been included as a carry forward request.

£100k match funding for a bid on Southchurch Hall is currently at the technical design stage. £95k has been included in this report as a carry forward request to progress the scheme further.

A budget of £20k for works at Southchurch Park Bowls Pavilion has been identified as a match funding contribution to aid a bid to Sport England. The Council are currently working with the Bowls Club on supporting the bid and the full budget has been included as a carry forward request in this report to ensure the match funding is available should the bid prove successful.

The scheme to replace various playground gates within the borough's play areas to enable compliance with health and safety recommendations is currently at the procurement stage with plans to progress the scheme once this is complete. £64k of the current budget has been included as a carry forward request in this report.

Some issues with the performance of materials on the Southchurch Park Tow Path scheme have delayed the project slightly therefore £50k of the current budget has been included in this report as a carry forward request.

4.5.4 ICT Programme

A budget of £100k has been agreed to enable the Council's network to deliver N3 services to allow service such as SystemOne to be delivered over the Council's network and CareFirst to be delivered over the local NHS network to enable cross-site working and joint delivery of services. This scheme is currently on hold pending review of accommodation use by the Council and the full budget has been included as a carry forward request in this report.

A scheme to support the migration of core corporate application and their databases to the newly built ICT infrastructure is subject to the timing of the completion of the Datacentre. This is unlikely to commence before the end of the financial year therefore the full budget of £75k has been included in this report as a carry forward request.

Spend for the ICT Intelligence Hub will be incremental across the next few years. Supplier engagement has commenced and a new link has been put in place between Civic one and Tickfield. £450k of the current budget has been included as a carry forward request in this report.

The scheme for the Digitisation of Paper Records is currently awaiting the outcome of the review of transformation output on paperless processes therefore the full budget of £45k has been included in this report as a carry forward request.

Trials have been taking place on remote mobility software to allow staff to work from home more securely. To enable the trials to continue into 2018/19, £45k of the current budget has been included as a carry forward request in this report.

The progress of the Phone Migration scheme has been delayed following the review of One-Essex Telephony with Essex and Thurrock for a joint telephony programme. The full budget of £80k has been included in this report as a carry forward request.

Delay to the Server Room Migration project has had a knock on effect on the Mobile Device End Point Protection Replacement therefore the full budget of £90k has been included as a carry forward request in this report.

The title of the Place Business Transformation in End to End Reporting scheme has been changed to Channel Shift and this scheme has been moved to the Department of the Chief Executive in this report. A supplier has now been appointed and phase one has been scoped and agreed for delivery in December 2017 with the final part of this phase in March 2018. Phase two will continue in the next financial year therefore a carry forward request of £265k has been included in this report.

The development of the Liquid Logic Case Management System scheme is on track to be delivered in line with the revised schedule. The live data warehouse build has been completed for both Childrens and Adults and further data migration works are underway.

Further carry forwards are required for the Central Government IT Security Compliance for £40k and the Wireless Borough and City Deal for £335k and these have been included in this report.

4.5.5 Enterprise, Tourism & Regeneration

The Regeneration projects include all the work currently taking place on the City Deal Incubation Centre, Airport Business Park and Queensway.

Local Growth Funding (LGF) of £3.2million for the Airport Business Park to support the delivery of on-site infrastructure and the relocation of Westcliff Rugby Club was spent by 31st March 2017 as per the grant conditions. The Westcliff Rugby Club relocation agreement is not yet complete although most issues have now been resolved and the build contract is expected to be let during October 2017. Roads and utilities design and procurement work continues and the innovation centre advisor appointments are underway.

A re-profiling exercise has taken place with the Local Enterprise Partnership and an accelerate delivery request of £1.042million has been included in this report.

Project lead and support roles are now in place for the Better Queensway scheme Consultation is scheduled to commence in October and to run until December with reporting and feedback in early 2018. A carry forward request of £575k has been included as a carry forward request in this report.

4.5.6 Southend Pier

Design works are currently progressing for the Southend Pier Entrance Enhancement scheme and works are likely to continue into 2018/19. A carry forward request of £100k has been included in this report.

Tender evaluation is currently in progress in conjunction with procurement for a structural consultant on phase two of the Prince George extension and the

timber outer pier head works which will be commencing shortly. The current spend projections are subject to favourable weather conditions. A proportion of these budgets for £939k and £250k respectively have been included in this report as a carry forward request.

4.5.7 Coastal Defence and Foreshore

A budget for improving the resilience of the borough to flooding from extreme weather events has been included in the 2017/18 capital programme. Works have now commenced at Harp House and the other main areas to be worked on include the airport, City Beach and Shoebury Common. £125k of this budget is included as a carry forward request in this report.

The cliff slip investigation works are continuing with feasibility studies to be carried out to the west of Clifton Drive. This scheme is currently with procurement awaiting the tender for a Geo-Technical consultant therefore a carry forward request of £246k has been included in this report.

Spend of £50k is anticipated on the Shoebury Common Sea Defence scheme this financial year therefore a carry forward request of £275k has been included in this report.

4.5.8 Highways and Infrastructure

An allocation of £102k has been received from the Department for Transport for the maintenance of pot holes across the borough. The rest of the Highways Maintenance programme is underway and will continue for the remainder of the financial year.

The Street Lighting budget is a multi-million pound, multi-year scheme to be part funded by the Challenge fund from the Department for Transport. The Department for Transport have agreed a revised completion date of 31st March 2018 with a programme being developed to spend the remaining funds.

The Cinder Path scheme is still at the discussion stage with Network Rail and the full budget of £75k has been included as a carry forward request in this report.

4.5.9 Parking Management

An updated parking strategy has been commissioned which will form the basis of improvement plans to the borough car parks. Feedback from the recent review is currently being assessed for any upgrade requirements. £120k of the current budget has been included in this report as a carry forward request to continue the scheme into 2018/19.

4.5.10 Section 38 and Section 106 Schemes

There are a number of S38 and S106 schemes all at various stages. Some of the larger schemes include works around Acacia Drive, Bellway Prittlebrook, Essex House and Hinguar.

Various schemes are scheduled to be carried out in 2018/19 therefore a carry forward request of £624k has been included in this report for these schemes. Budgets of £318k have been removed from the capital programme as these funds have already been accounted for within the Schools programme.

S106 General Fund Housing schemes totalling £497k have been transferred to the Department of Place in this report and these budgets have then been carried forward into 2018/19.

4.5.11 Local Transport Plans (LTP Schemes)

The Local Transport Plan schemes cover various areas including better networks, traffic management, better operation of traffic control systems and bridge strengthening.

The plan to upgrade more Automatic Vehicle Location (AVL) screens has now commenced and new Real Time Passenger Information (RTPI) screens are on order and will be installed before year end.

A carry forward request of £1.276million across the LTP schemes has been included in this report as a carry forward request following agreement from the Department for Transport that these funds are not ring-fenced in year.

4.5.12 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. The improvement will also support background growth of Southend and Rochford.

The final business case for A127 Kent Elms junction improvements has been approved by the South East Local Enterprise Partnership and all funding has been received.

Worked commenced at Kent Elms on 21st November 2016 and a dedicated Public Liaison Officer is in place. There has been a delay to National Grids works which has had a knock on effect causing delay to completing BT diversions. The BT diversions have caused a delay to the new outbound lane. Three lanes inbound and two new pedestrian crossings were in place at the end of June. The new footbridge will be in place this financial year.

Options are being prepared to put forward for the business case at the Bell junction and air quality implications are to be investigated. A draft engagement and consultation document has been prepared and is to be updated. Air quality specialist work has now commenced.

Local Growth Funds of £1.895million have been reprofiled and have been included in this report as a carry forward request.

4.5.13 Community Safety

Whilst the CCTV Equipment Renewal scheme is moving forward with consultation, the implementation is likely to be delayed into 2018/19 with £400k of the current budget included as a carry forward request in this report. The scheme ties in with the development of the Southend Intel Hub and the process for testing any camera solutions to ensure future fit for purpose and the subsequent procurement process will take the scheme beyond March 2018.

4.5.14 Transport

The road safety audit stage three has now been reviewed on the A127 Tesco junction improvements with minor adjustments are now complete. Works to the steps at Strawberry Fields are yet to be completed. A carry forward request of £300k has been included in this report.

Southend Transport Model is an on-going scheme to support various multi modal transport projects. A review of the model is complete with options on updating the model to be considered. A carry forward request of £40k has been included in this report.

4.5.15 Energy Saving Projects

Several projects have been identified from the energy efficiency budget. The remaining £640k budget has been included as a carry forward request in this report.

Procurement documents are in the process of being drafted for legal support for the site agreements as part of the Solar PV scheme. £924k of this budget will be required next financial year therefore a carry forward request has been included in this report.

An energy project for Tickfield is currently being worked on as part of the Schools and Council Buildings Solar PV scheme. £214k of this budget will be required in 2018/19 therefore a carry forward request has been included in this report.

4.5.16 Summary

Carry forward requests included in this report are Belfairs Swim Centre for £40k, Belton Hills Steps for £1.467million, Central Museum Works for £120k, Cliffs Pavilion External Refurbishment Works for £250k, Energy Improvements in Culture Property Assets for £55k, Library Review for £156k, New Museum Gateway Review for £750k, Palace Theatre Air Handling Units for £220k, Playground Gates for £64k, Prittlewell Prince Research for £38k, Prittlewell Price Storage for £35k, Pump Priming for £95k, Southchurch Park Bowls Pavilion for £20k, Southchurch Park Tow Path for £50k, ICT Priority Works N3 for £100k, Central Government IT Security Compliance for £40k, Core Application and Database Migration for £75k, Intelligence Hub for £450k, Digitisation of Paper Records for £45k, Mobile Working and Enterprise Mobility for £45k, Phones Migration and Retender for £80k, Mobile Device End Point

and Protection Replacement for £90k, Channel Shift for £265k, Wireless Borough and City Deal for £335k, Southend Pier Entrance Enhancement for £100k, Southend Pier Prince George Extension for £939k, Southend Pier Timber Outer Pier Head for £250k, Cliff Slip Investigation works for £246k, Improving Resilience of the Borough to flooding from Extreme Weather Events for £125k, Shoebury Common Sea Defence Scheme for £275k, Cinder Path for £75k, Improved Car Park Signage and Guidance Systems for £120k, Better Queensway Regeneration for £575k, S106, S278 and S38 schemes for £1.121million, LTP schemes for £1.276million, Local Growth Funds for £1.895million, A127 Junction Improvements for £300k, Southend Transport Model for £40k, CCTV Equipment Renewal for £400k, Energy Efficiency Projects for £640k, Schools and Council Buildings Solar PV for £214k and Solar PV Projects for £924k.

An accelerated delivery request of £1.042million has been included for the Airport Business Park.

Budgets totalling £318k have been removed from the capital programme in relation to S106 schemes.

4.6 Housing Revenue Account

4.6.1 The revised budget for the Housing Revenue Account capital programme for 2017/18 is £12.108million. The latest budget and spend position is as follows:

Housing Revenue Account	Revised Budget 2017/18 £'000	Outturn to 30 September 2017/18 £'000	Expected outturn 2016/17 £'000	Previous Forecast Variance to Year End 2016/17 £'000
Decent Homes Programme	7,703	1,775	6,703	(1,000)
Council House Adaptations	565	174	565	-
Sheltered Housing	345	-	345	-
Other HRA	3,495	49	2,995	(500)
Total	12,108	1,998	10,608	(1,500)

4.6.2 The actual spend at 30th September of £1.998million represents 17% of the HRA capital budget.

4.6.3 Decent Homes Programme

The capital programme is progressing albeit slightly slower than planned due to extended mobilisation periods which have been required by various contractors and delays in companies returning their signed contracts. The £2million

reprofiled for fire safety works has been partly allocated to completing the remaining two high rise blocks at Queensway however the remaining £1million has been included as a carry forward request in this report to be used to undertake further fire safety works to medium rise blocks.

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 2017/18.

4.6.5 Sheltered Housing Remodelling

This budget is to be used in conjunction with the Sheltered Housing review.

4.6.6 Other HRA

The housing construction scheme is continuing with the Council's approved contractor having completed the required highways works and also the demolition of the garages at Rochford Road. The application to divert the culvert has now been lodged with Anglian Water and it is anticipated that the outcome will be received in mid-October. The tender for the overall build contractor will be extended to early November to accommodate this change. Further consultation has been undertaken with both residents and members to keep them up to date with the progress of the project.

A scheme for the acquisition of tower block leasehold properties currently has a budget of £500k in 2017/18. This budget has been included as a carry forward request in this report.

4.6.7 Summary

Carry forward requests for Common Areas Improvements for £1million and Acquisition of Queensway Tower Block Leaseholds for £500k have been included in this report.

5 Capital financing position as at 30 September 2017

5.1 The Capital programme for 2017/18 is expected to be financed as follows:

Department	Council Budget £'000	External Funding		Total Budget £'000
		Grant Budget £'000	Developer & Other Contributions £'000	
Chief Executive	24,088	-	6	24,094
People	5,300	11,393	16	16,709
Place	28,905	11,317	2,438	42,660
Housing Revenue Account (HRA)	11,365	-	473	12,108
Total	69,928	22,710	2,933	95,571
As a percentage of total budget	73.1%	23.8%	3.1%	

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 30 September are as follows:

Department	Grant Budget £'000	Developer & Other Contribution Budget £'000	Total external funding budget £'000	External funding received £'000	External funding outstanding £'000
Chief Executive	-	6	6	-	6
People	11,393	16	11,409	4,388	7,021
Place	11,317	2,438	13,755	9,056	4,699
Housing Revenue Account (HRA)	-	473	473	473	-
Total	22,710	2,933	25,643	13,917	11,720

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 23 February 2017 the Capital Programme for the Council was approved as follows:

2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	Total Current Budget £000
76,732	70,583	46,552	19,177	213,044

6.2 On 20 June 2017 members approved further changes which subsequently changed the 2017/18 budget from £76.732million to £95.571million. These changes included the carry forward and accelerated delivery of previous year's programme of £6.184million. Also included were budget re-profiles and adjustments totalling £0.323million and new external funding of £2.791million and other adjustments of £9.541million.

6.3 On 20 June 2017 the Capital Programme for the Council was approved as follows:

2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	Total Current Budget £000
95,571	70,433	43,882	22,407	232,293

6.4 Following the capital challenge sessions in October further changes are now requested which will amend the capital budgets.

6.5 For 2017/18 this means the budget changing to £66.573million. The changes include the removal of budgets identified as no longer required totalling £0.363million and new budgets of £0.239million funded from the Council's own resources. There is also a change of name requested for the Business Transformation in End to End Reporting Project to 'Channel Shift' which is moving from the Department of Place to the Department of the Chief Executive. To better align the S106 schemes to those responsible for their delivery, schemes relating to Housing and Education are moving from the Department for Place to the Department for People.

6.6 Additionally a new budget is requested in the 2018/19 programme for £50k relating to the Learning Management System. This will be funded from the People Department's revenue budget.

The changes to the programme also include the following:

6.7 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.

6.8 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 £29.920million from 2017/18 into 2018/19 and later years and an accelerated spend of £1.042million into 2017/18 which will be financed from the 2018/19 programme. This does not alter the overall budget for the programme.

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

There is new funding of £4k to support programmes in 2017/18 and £0.891million to support programmes in 2018/19.

6.10 The impact on the programme of the capital challenge sessions and other amendment requests is as follows:

2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	Total Current Budget £000
66,573	80,397	57,145	28,999	233,114

The proposed changes are set out in Appendix 6 and the revised Capital Programme for 2017/18 to 2020/21 that results from these changes is set out in Appendix 7.

7. Spending Plans

7.1 The Council's revised Capital Programme for 2017/18 to 2020/21 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 £233million on the part of the Council in the Southend area and the projected investment in 2017/18 alone amounts to some £67million.

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 proposed changes to the Capital Programme since the last Cabinet meeting on 20 June 2017.

10. Corporate Implications

10.1 Contribution to Council's Vision & Corporate Priorities

The projects directly contribute to the delivery and achievement of the Councils 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 2017/18 to 2020/21.