

Southend-on-Sea Borough Council

Report of the Department of the Chief Executive
to
Cabinet
on
8 November 2016

Report prepared by: Joe Chesterton
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Agenda
Item No.

Capital Monitoring for 2016/17 and Revised Capital Programme 2016/17 to 2019/20
Policy and Resources Scrutiny Committee
Executive Councillor: Councillor Moring
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 2016 and to recommend in-year amendments to the approved Capital Programme for 2016/17 to 2019/20.

2. Recommendations

That the Cabinet recommend to Council that it;

- 2.1 Note the actual capital expenditure position as at 30 September 2016 of £22.014million as shown in Section 4 and Appendix 1.**
- 2.2 Note the financing position of the Capital programme as at 30 September 2016, 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 2016/17 to 2019/20 that results from these changes, as set out in Appendix 7.**

3. Introduction and Background

- 3.1 In February 2016 the Council approved a Capital Programme for 2016/17 to 2019/20 totalling £188.136million.
- 3.2 The Capital Outturn report (June 2016) agreed a number of schemes where there were budget under-spends but financial commitments in 2016/17. In addition, due to the Council's improved ability to deliver capital schemes, some capital expenditure due in 2016/17 was delivered early in 2015/16. These

revisions were agreed at the Cabinet meeting on 28 June 2016 resulting in a total programme for 2016/17 to 2019/20 of £191.656million.

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 each Corporate Director, 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 2016 and the in-year amendments to the approved Capital Programme for 2016/17 to 2019/20 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 2016/17 to 2019/20.

4. Capital Expenditure Position As at 30 September 2016

4.1 For this report, Appendix 1 shows the latest budget and the expected capital expenditure outturn position as at 30 September 2016. The departmental figures set out in this section are as at 30 September 2016 and reflect the amendments to the Council's departmental arrangements approved at the Cabinet meeting of 20 September 2016. 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 2016/17 financial year at 30 of September was £76.576million. This includes all changes and budgets carried forward from the previous year as agreed as part of the 2015/16 capital outturn report at June Cabinet. Actual Capital spend at 30 September was £22.014million. (Outstanding creditors totalling £0.800million have been removed from this figure.) The budget and spend to date is broken down by Department as follows:

| Department | Revised Budget 2016/17 £'000 | Actual 2016/17 £'000 | Expected outturn 2016/17 £'000 | Expected Variance to Revised Budget 2016/17 £'000 |
|-------------------------------|------------------------------|----------------------|--------------------------------|---|
| Chief Executive | 11,861 | 218 | 9,489 | (2,372) |
| People | 14,329 | 8,740 | 12,612 | (1,717) |
| Place | 39,456 | 9,786 | 34,761 | (4,695) |
| Housing Revenue Account (HRA) | 10,930 | 3,270 | 8,881 | (2,049) |
| Total | 76,576 | 22,014 | 65,743 | (10,833) |

Since June 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 of the Chief Executive

4.3.1 The revised capital budget for the Department of the Chief Executive is £11.861million. The budget is distributed across various scheme areas as follows:

| Department of the Chief Executive | Revised Budget 2016/17 £'000 | Actual 2016/17 £'000 | Expected outturn 2016/17 £'000 | Expected Variance to Year End 2016/17 £'000 |
|-----------------------------------|------------------------------|----------------------|--------------------------------|---|
| Queensway | 1,142 | 45 | 1,142 | - |
| Tickfield | 2 | - | 2 | - |
| Asset Management (Property) | 9,373 | 95 | 7,137 | (2,236) |
| Cemeteries & Crematorium | 928 | 78 | 792 | (136) |
| Subtotal | 11,445 | 218 | 9,073 | (2,372) |
| Priority Works (see table) | 416 | - | 416 | - |
| Total | 11,861 | 218 | 9,489 | (2,372) |

| Priority Works | £'000 |
|---|-------|
| Budget available | 500 |
| Less budget allocated to agreed schemes | (84) |
| Remaining budget | 416 |

4.3.2 Actual spend at 30 September stands at £0.218million. This represents 2% of the total available budget.

4.3.3 **Queensway**

The Ground Penetrating Radar scheme of £142k is focused on determining the location of gas pipes, electricity cables and drainage around the Queensway site. Cat surveys have completed the footway element and moved onto the verification stage of the carriageway element along with the underground car park adjacent to the tower blocks. The remaining budget of £1million relates to an allowance for commercial property buy back and a project budget for the scheme in 2016/17.

4.3.4 **Tickfield**

All building works have now been completed at Tickfield and the final account is the only outstanding cost.

4.3.5 **Asset Management (Property)**

A scheme to demolish the existing Southend Library car park and construct a new one is taking place in 2016/17 and utility mapping, topographical surveys and laser scanning have already taken place. The new building will increase capacity for parking spaces and earn additional income.

The scheme to redevelop the Civic East car park will take place following the Library car park reconstruction. £85k of this budget is included as a carry forward request in this report to take account of the scheme continuation into 2017/18.

Planning has not yet been submitted for the scheme to discharge the East of England Development Agency agreement and it is unlikely this will progress during 2016/17. The full budget of £164k is included as a carry forward request in this report.

The progress of the Seaways Development Enabling works is currently subject to quotes and planning therefore £187k of the £1.950million budget is included as a carry forward request in this report.

Various options have been explored for the development of the land at 16 Brunel Road however nothing commercially viable is yet developed to progress. Work continues with PSP Southend LLP and via other routes but no expenditure is planned for 2016/17. The full budget of £50k is included as a carry forward request in this report.

£850k has now been committed on the Airport Business Park scheme for pitch construction and archaeology. A commitment for road and services infrastructure is also expected during November however due to delays on S106 and S278 agreements, £1.750million is included as a carry forward request in this report in line with the expected spend profile.

An allocation from the Priority Works budget of £12k has been vired to the Urgent Works to Property scheme in this report to carry out further works on the Pier Arches.

4.3.6 Cemeteries and Crematorium

A scheme to improve the crematorium grounds and replace the aged Pergola Walk is taking place in 2016/17 to include memorials and interment units within the supporting structure. The contract has now been awarded with a start date scheduled for 2 January 2017.

Screening and removal of surplus soil on the new burial site is now complete. The landscaping and setting out of the new extension works are now able to commence. £78k of the budget has been removed from the capital programme in this report due to the lack of suitable sites available for purchase.

The Perimeter Security Improvements scheme is progressing well. Works for the installation of the access swipe panels around the new barriers and additional cameras to the underground car park ramp took place at the beginning of October.

The scheme for cremator hearth replacement will be going ahead towards the end of the financial year and an accelerated delivery request of £12k is included in this report to finance this.

The scheme to connect the Cemetery Lodge and Crematorium to the mains server is not going ahead due to cost implications. The full budget of £70k has been removed from the capital programme in this report.

4.3.7 Priority Works

The Priority works provision budget currently has £416k remaining unallocated.

4.3.8 Summary

Carry forward requests included in this report are the Airport Business Park for £1.750m, Capital Allocation to Discharge the EEDA Agreement for £164k, Civic East Car Park Redevelopment for £85k, 16 Brunel Road for £50k and Seaways Development Enabling Works for £187k.

An accelerated delivery request of £12k for the Cremator Hearth Replacement scheme is also included in this report.

The Cemetery Lodge and Crematorium connection to mains server scheme budget of £70k and the New Burial Ground budget of £78k has been removed from the capital programme in this report.

4.4 Department for People

4.4.1 The Department for People revised Capital budget totals £14.329million.

| Department for People | Revised Budget 2016/17 £'000 | Actual 2016/17 £'000 | Forecast outturn 2016/17 £'000 | Variance to year end 2016/17 £'000 |
|-------------------------------------|------------------------------|----------------------|--------------------------------|------------------------------------|
| Adult Social Care | 1,166 | 37 | 681 | (485) |
| General Fund Housing | 2,037 | 396 | 1,487 | (550) |
| Children & Learning Other | 86 | - | 64 | (22) |
| Condition Schemes | 1,215 | 437 | 992 | (223) |
| Devolved Formula Capital | 288 | 269 | 288 | - |
| Primary and Secondary School Places | 9,537 | 7,601 | 9,100 | (437) |
| Total | 14,329 | 8,740 | 12,612 | (1,717) |

4.4.2 Actual spend at 30th September stands at £8.740million. This represents 61% 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 2016/17 include the development of an independent living centre, investment in technology and extra care provision. A carry forward request of £291k has been included in this report to continue these schemes into 2017/18.

A carry forward request of £194k has also been included in this report for the Delaware and Priory scheme.

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. A carry forward request of £300k is included in this report in line with expected spend for 2016/17.

The Empty Dwellings Management scheme is currently concentrating on bringing more empty homes back into use. £120k spend is forecast on three current properties with a carry forward request of £200k included in this report.

Minimal works are in the pipeline for the Works in Default enforcement scheme therefore a carry forward request of £50k is included in this report.

4.4.5 Children & Learning Other Schemes

Retentions of £57k are being held for Kingsdown Special School roof works 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. The remaining budget of £22k has been removed from the programme in this report.

4.4.6 Condition Schemes

A budget of £1.215m 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 £17k are being held for works completed last year at seven primary schools.

Budgets for works at Futures Community College totalling £310k has been removed from the programme in this report due to the schools recent conversion to academy.

Works on fire systems at Hamstel Junior School took place over the summer holidays and an additional budget of £3k will be added to the programme at November Cabinet to be funded from unallocated maintenance grant. This will cover the additional cost of works which took place. Works to the windows at Hamstel Junior School have taken place in full this financial year therefore an accelerated delivery request of £84k has also been included in this report.

4.4.7 Devolved Formula Capital

This is an annual devolution of dedicated capital grant to all maintained schools. The grant for 2016/17 is £288k. 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 the final two projects at St Helen's Catholic and St Mary's Primary Schools handed over. A review of places available against forecast demand will be done on an annual basis. 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 now in the beginning stages to ensure that the extra places supplied in primary are matched in secondary as they are needed. As part of this expansion programme, the PROCAT building in Southchurch Boulevard has now been purchased. Improvements to Special Education Needs and Pupil Referral Unit accommodation are also in the planning stages. A further £126k is also being held as retention payments against works completed in the previous financial year on primary expansion projects.

Underspends for schemes at Hamstel Primary and Thorpe Greenways Primary Schools have been removed from the programme in this report. These budgets total £273k and £93k respectively.

A carry forward request of £72k for the expansion of two year old childcare places has also been included in this report.

A budget of £1k has been vired from the S106 Elm Gate scheme in the Department for Place as a contribution towards the Secondary School Places scheme.

4.4.9 Summary

Carry forward requests include in this report are Community Capacity for £291k, LATC Delaware and Priory for £194k, Empty Dwellings Management for £200k, Private Sector Renewal for £300k, Works in Default Enforcement for £50k and Expansion of two year old Childcare Places for £72k.

An accelerated delivery request of £84k has also been included in this report for Hamstel Juniors Windows.

Budgets removed from the Capital Programme in this report include Kingsdown Phase One for £22k, Futures College for £310k, Hamstel Primary Places for £273k and Thorpe Greenways Places for £93k.

A budget of £3k has been added to programme for Hamstel Junior School fire systems.

£1k has been vired from S106 in Place to the Secondary School Places scheme.

4.5 Department for Place

4.5.1 The Department for Place have a revised capital budget of £39.456million. Budget and spend breakdown of the key capital schemes are tabulated below.

| Department for Place | Revised Budget 2016/17 £'000 | Actual 2016/17 £'000 | Expected outturn 2016/17 £'000 | Expected Variance to Year End 2016/17 £'000 |
|------------------------------------|------------------------------|----------------------|--------------------------------|---|
| Culture | 2,878 | 394 | 1,893 | (985) |
| ICT Programme | 5,374 | 1,430 | 5,030 | (344) |
| Enterprise, Tourism & Regeneration | 4,355 | 1,535 | 3,335 | (1,020) |
| Coastal Defence and Foreshore | 721 | 235 | 881 | 160 |
| Highways and Infrastructure | 10,585 | 3,105 | 10,585 | - |
| Parking Management | 334 | 19 | 334 | - |
| Section 38 & 106 Agreements | 2,050 | 358 | 779 | (1,271) |
| Local Transport Plan | 3,013 | 1,117 | 3,013 | - |
| Local Growth Fund | 6,511 | 1,393 | 6,086 | (425) |
| Transport | 510 | 29 | 510 | - |
| Energy Saving Projects | 3,125 | 171 | 2,315 | (810) |
| Total | 39,456 | 9,786 | 34,761 | (4,695) |

4.5.2 Actual spend at 30th September stands at £9.786million. This represents 25% of the total available budget.

4.5.3 Culture

Works to undertake the reinstatement and stabilisation of Belton Hill steps are now underway. Procurement is now underway for the appointment of a geo-technical engineer although due to pressures this is taking longer than expected. A carry forward request of £50k has been included in this report to reflect these delays.

Architects have been appointed for Leigh Library as part of the Library Review scheme and the final works at Westcliff Library are on schedule. A carry forward request of £100k has been included in this report as the works are likely to continue into 2017/18.

Works on the New Museum Gateway Review scheme are not likely to take place in 2016/17 therefore the full budget of £500k has been included as a carry forward request in this report.

The publication for the Prittlewell Prince Research scheme has been delayed and the full budget of £38k will be required in 2017/18 therefore a carry forward request has been included in this report.

The Pump Priming budget of £333k is to be used as match funding for a bid to the Heritage Lottery Fund for works on Southchurch Hall. The bid is still at the development stage therefore the full budget has been carried forward in this report.

A bid for external funding is being prepared for works at Southchurch Park Bowls Pavilion and there is currently £20k in the budget to match fund this. It is unlikely that the bid will be finalised in 2016/17 therefore the full budget will be required in 2017/18 and a carry forward request has been included in this report.

A new budget of £56k to be funded from revenue contributions has been added to the capital programme in this report in respect of the purchase of three bronze Dutch fortress cannons.

4.5.4 ICT Programme

A combination of budgets from various schemes totalling £581k are included in this report to be transferred to the Data Centre scheme. This will be used to purchase internet connectivity devices. These budgets include Borough Broadband for £100k, GCSx Mail update for £25k, ICT Enterprise Agreement for £200k, ICT E-Procurement Solution for £76k, ICT Rolling Replacement Programme for £50k, Public Health My Health Tools for 80k and Public Health Advance Health Analysis for £50k.

The scheme to deliver a robust Social Care case management system is well underway with a full suite of test systems now available for use. The budget for 2016/17 is £1.4million and projected spend is currently on target. The data migration for Children's has been completed for phase two and the installation of the live environment for financial assessments in Adults has now been implemented.

A project to review the end to end process for reports and requests received by the Council in respect of waste, public protection, highways and parking related matters is now underway which has commenced with waste during August. This scheme has a view for self-serve automation and the removal of manual intervention from the process. This element of the project is scheduled to go live in February 2017 to ensure that all forms are live at the same time.

The DEFRA Inspire budget of £4k has been included as a carry forward request in this report to continue the scheme into 2017/18.

The Wireless Borough and City Deal scheme is still in the initiation stage therefore £340k of the current budget has been included as a carry forward request in this report.

4.5.5 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.

Work is on-going for the design to maximise opportunity of additional office space at the Incubation Centre. These works are subject to funding confirmation from the Environment for Growth (E4G). Spend is not expected during 2016/17 therefore the full budget of £44k has been included as a carry forward request in this report.

The Three Shells Lagoon is complete and was officially opened on 21 July. The only outstanding works relate to a toilet block which is scheduled for completion in early November 2016.

Several projects are planned for 2016/17 under the Property Refurbishment Programme including works at Priory Park yard, Campfield Road toilets, Belfairs Park drainage investigations and Central Museum windows. Some of these works require listed building approval therefore they are likely to take place later in the year.

The Prince George extension works involve concrete trials which will be going ahead in 2016/17 at a cost of approximately £200k. The tenders are going out in October with a view to starting works in November. The remaining budget will be required once the trial is completed which is likely to be in 2017/18 therefore a carry forward request of £976k has been included in this report.

4.5.6 Coastal Defence and Foreshore

The cliff stabilisation scheme on Clifton Drive is working to remediate the cliff slip and reinforce it against further slippage. The project has progressed substantially and is approaching completion. Installation of the final section of cascade stairs commenced on 10th October and the contractor will be adjusting the footway levels to suit. All other areas on the site are now open and final landscaping works will take place before the end of the financial year.

Funding totalling £160k from the Environment Agency has been received as part of the Southend Shoreline Strategy. Strategy development is currently underway and a budget of £160k has been added to the programme in this report.

4.5.7 Highways and Infrastructure

A scheme to invest in the highways infrastructure to reduce long term structural maintenance and improve public safety has been approved for 2016/17. The

works are based on priorities identified by the outcome of the asset management condition survey. Four out of five of the schemes have now been completed with the final scheme to be completed by the end of October.

A grant of £65k has been received from the Department for Transport for the repair of potholes throughout the Borough. This grant has been secured for the next 5 years.

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 luminaires installation is expected to complete by the end of October. Works to replace concrete columns on the seafront have commenced and the completion date is scheduled by the end of January 2017. 20 base stations have now been installed as part of the Central Management System (CMS) works.

4.5.8 Parking Management

A new scheme to improve car park surfacing, structures and signage and to replace pay and display machines in order to maximise capacity and usage is taking place in 2016/17. The scheme will aim to rationalise and upgrade pay and display equipment across all car parks, surface improvements at East Beach, lighting upgrades at Belton Gardens and layout alterations to improve accessibility and security at University Square. A new contract is in place and detailed plans for car park improvements are underway.

4.5.9 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 Shoebury Park enhancement and Fossetts Farm bridleway works.

Schemes totalling £1.245million have been identified as taking place in 2017/18 and a carry forward request has been included in this report.

The Lidl Progress Road works took place in a previous financial year therefore the budget of £26k will be removed from the programme in this report.

4.5.10 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.

4.5.11 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 to draw down the

2016/17 funding. Further work is underway for the final bridge and highways maintenance business cases for 2016/17 onwards.

The 2016/17 works on Kent Elms are focusing on the design and construction of the main works. The final design has now been agreed. Highways works tender documents have now been received and are currently being assessed.

The works to the Bell junction will be focusing on options to put forward for the business case. Pedestrian surveys have now been commissioned.

Bridge and Highway Maintenance works will be focusing on investigation works for improvements to the A127 corridor and supporting Kent Elms works. Surfacing is now complete to the east bound section of the A127 from boundary to just prior to the Progress Road improvement works and in the vicinity of Bellhouse Lane. Further surveys for drainage, traffic data, lighting and safety barriers are yet to be undertaken.

A carry forward request of £425k has been included in this report on the A127 Growth Corridor scheme to continue works into the new financial year.

4.5.12 Transport

The final account is still being negotiated with the contractor for the main works on the A127 Tesco junction improvements. The Road Safety Audit report has been reviewed with minor adjustments being carried out on traffic signals as necessary.

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.

4.5.13 Energy Saving Projects

The ventilation for the Beecroft and Central Museum Energy project is currently in final design. The lift installation has been slightly delayed therefore £200k of the current budget has been included as a carry forward request in this report.

As part of the Energy Efficiency Projects, surveys on the pier and three lighting schemes are currently being finalised. £150k of the current budget will be required in 2017/18 therefore a carry forward request has been included in this report.

The Solar PV Project is currently at the tender stage. Some of the works are likely to take place in 2017/18 therefore a carry forward request of £460k has been included in this report.

The solar panels at Southend Adult Community College and Temple Sutton School are now live and the efficiency elements works took place over the summer. Planning permission has been received for the biomass boiler at Southend Adult Community College and the works are taking place during October 2016. The pool cover and heat pump for Temple Sutton Primary School has been designed and agreed with the school.

4.5.14 Summary

Carry forward requests included in this report are Library Review for £100k, New Museum Gateway Review for £500k, Prittlewell Prince Research for £38k, Pump Priming for £333k, Southchurch Park Bowls Pavilion for £20k, Belton Hill Steps for £50k, DEFRA Inspire for £4k, Wireless Borough and City Deal for £340k, City Deal Incubation Centre for £44k, Prince George extension works for £976k, S106/S38 schemes for £1.245million, A127 Growth Corridor for £425k, Beecroft and Central Museum Energy project for £200k, Energy Efficiency Projects for £150k and Solar PV Projects for £460k.

Budgets have been added to the programme for Southend Shoreline Strategy for £160k and Dutch Fortress Cannons for £56k.

Budgets totalling £581k from various ICT budgets have been vired to the ICT Core Infrastructure scheme to fund the Data Centre project.

£26k will be removed from the programme for the S106 Lidl Progress Road works.

4.6 Housing Revenue Account

4.6.1 The revised budget for the Housing Revenue Account capital programme for 2016/17 is £10.930million. The latest budget and spend position is as follows:

| Housing Revenue Account | Revised Budget 2016/17 £'000 | Actual 2016/17 £'000 | Expected outturn 2016/17 £'000 | Forecast Variance to Year End 2016/17 £'000 |
|-------------------------------|------------------------------|----------------------|--------------------------------|---|
| Decent Homes Programme | 6,958 | 1,428 | 4,919 | (2,039) |
| Council House Adaptations | 500 | 195 | 500 | - |
| Sheltered Housing Remodelling | 345 | - | 345 | - |
| Other HRA | 3,127 | 1,647 | 3,117 | (10) |
| Total | 10,930 | 3,270 | 8,881 | (2,049) |

4.6.2 The actual spend at 30th September of £3.270million represents 30% of the HRA capital budget.

4.6.3 Decent Homes Programme

The works being undertaken now relate to Decent Homes failures which occur within the financial year and no works are being undertaken in advance. There is also a need to undertake more infrastructure works such as structural integrity works of blocks and common areas. These types of works require more detailed surveying and planning. Due to this change, the Decent Homes Programme will be reduced in 2016/17 by £1.069million and this has been included in this report. Carry forward requests have also been included for £400k on the Environmental Health and Safety works scheme and £570k on the Common Areas Improvements Scheme.

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 2016/17.

4.6.5 Sheltered Housing Remodelling

A proposal for the use of this budget will go forward to November Cabinet and more details will be known if these works are approved.

4.6.6 Other HRA

The plan for the HRA Land Review scheme is to construct 18 housing units within the Shoeburyness ward. Building works are progressing well. All

external brickwork is now complete on all sites and the contractor gave the 8 week notice for completion on 26 September for Exeter Close and Bulwark Road. A total of four three bedroom houses and one two bedroom house are scheduled for hand over on week commencing 14 November. Other sites are progressing well with a schedule for completion by spring 2017 for part of Ashanti and a phased delivery for the remainder of this site.

The final account for the new build at 32 Byron Avenue has now been paid and the remaining budget of £10k has been removed from the programme in this report.

4.6.7 **Summary**

Carry forward requests included in this report are for £400k on the Environmental Health and Safety works and £570k on the Common Area Improvements.

Budgets removed from the capital programme in this report include Decent Homes projects for £1.069million and 32 Byron Avenue for £10k.

5 Capital financing position as at 30 September 2016

5.1 The Capital programme for 2016/17 is expected to be financed as follows:

| Department | External Funding | | | Total Budget £'000 |
|-------------------------------|------------------|---------------|---------------------------------|-----------------------|
| | SBC Budget | Grant Budget | Developer & Other Contributions | |
| | £'000 | £'000 | £'000 | |
| Chief Executive | 11,667 | - | 194 | 11,861 |
| People | 7,696 | 6,633 | - | 14,329 |
| Place | 24,124 | 13,121 | 2,211 | 39,456 |
| Housing Revenue Account (HRA) | 10,768 | 109 | 53 | 10,930 |
| Total | 54,255 | 19,863 | 2,458 | 76,576 |

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 | Developer & Other Contribution Budget | Total external funding budget | External funding received | External funding outstanding |
|-------------------------------|---------------|---------------------------------------|-------------------------------|---------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Chief Executive | - | 194 | 194 | - | 194 |
| People | 6,633 | - | 6,633 | 5,441 | 1,192 |
| Place | 13,121 | 2,211 | 15,332 | 7,379 | 7,953 |
| Housing Revenue Account (HRA) | 109 | 53 | 162 | 31 | 131 |
| Total | 19,863 | 2,458 | 22,321 | 12,851 | 9,470 |

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 25 February 2016 the Capital Programme for the Council was approved as follows:

| 2016/17 Budget £000 | 2017/18 Budget £000 | 2018/19 Budget £000 | 2019/20 Budget £000 | Total Current Budget £000 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| 73,450 | 53,897 | 34,422 | 26,367 | 188,136 |

6.2 On 28 June 2016 members approved further changes which subsequently changed the 2016/17 budget from £73.450million to £76.576million. These changes included the carry forward and accelerated delivery of previous year's programme of £1.411million. Also included were budget re-profiles and adjustments totalling £0.134million and new external funding of £1.911million and other adjustments of £0.062million.

6.3 On 28 June 2016 the Capital Programme for the Council was approved as follows:

| 2016/17 Budget £000 | 2017/18 Budget £000 | 2018/19 Budget £000 | 2019/20 Budget £000 | Total Current Budget £000 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| 76,576 | 51,995 | 36,988 | 26,097 | 191,656 |

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

6.5 For 2016/17 this means the budget changing to £65.743million. The changes include the removal of budgets identified as no longer required totalling £1.951million and a new budget of £56k relating to the purchase of three bronze Dutch fortress cannons to be funded from revenue contributions. There is also a change of name requested for the Eastwood Schools Energy Project to 'Schools and Council Buildings Solar PV'.

6.6 Additionally the 2017/18 budget is requested for amendment and includes the removal of budgets identified as no longer required totalling £2.353million.

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 £12.398million from 2016/17 into 2017/18 and later years and an accelerated spend of £96k in 2016/17 which will be financed from the 2017/18 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 £3.364million to support programmes in 2016/17 and £0.382million to support programmes in 2017/18.

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

| 2016/17 Budget £000 | 2017/18 Budget £000 | 2018/19 Budget £000 | 2019/20 Budget £000 | Total Current Budget £000 |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| 65,743 | 61,612 | 37,471 | 26,328 | 191,154 |

The proposed changes are set out in Appendix 6 and the revised Capital Programme for 2016/17 to 2019/20 that results from these changes is set out in Appendix 7.

7. Spending Plans

7.1 The Council's revised Capital Programme for 2016/17 to 2019/20 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 £191million on the part of the Council in the Southend area and the projected investment in 2016/17 alone amounts to some £66million.

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 28 June 2016.

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 2016/17 to 2019/20.