



# Audit and Performance Committee Report

<b>Meeting or Decision Maker:</b>	Audit and Performance Committee
<b>Date:</b>	1 <sup>st</sup> February 2018
<b>Classification:</b>	General Release
<b>Title:</b>	Period 9/Quarter 3 Finance Report (October 2017 – December 2017)
<b>Key Decision:</b>	Review and challenge officers on the contents of the report
<b>Report of:</b>	Steven Mair, City Treasurer

## 1. Executive Summary

The Period 9/Quarter 3 Finance Report presents detailed results for the period October 2017 to December 2017 against the 2017/18 budget.

## 2. Recommendations

- Committee notes the content of the report
- Committee indicate any areas of the report that require further investigation
- Committee highlights any new emerging risks that have not been captured

## 3. Reasons for Decision

To inform Members of the Council's financial position for Period 9/Quarter 3.

## 4. Background, including Policy Context

This report sets out how the City Council manages its financial affairs.

## PERIOD 9 FINANCE REPORT

### 5. Key Messages

#### Revenue – Forecast Outturn

At the end of period 9, services area revenue budgets are projected to underspend by £6.800m by year-end. All variances will be subject to active management through the financial year and it is anticipated that any adverse variance will be mitigated by year end.

At period 9, the net forecast outturn for the general fund capital programme is an underspend of £85.494m which represents 52% of the net budget of £164.919m, (expenditure budget of £370.021m and income budget of £205.102m).

The Housing Revenue Account (HRA) at the end of period 9 is forecasting a £2.765m overspend against budget.

At Period 9 the HRA capital forecast outturn is £79.934m resulting in a gross underspend of £61.899m compared to the budget of £141.833m. This includes forecast underspends for the Major Works programme of £15.065m, the Housing Regeneration schemes of £42.670m and Other Projects of £4.164m.

#### 6. Revenue – Forecast Outturn

At period 9, Cabinet portfolios are projecting an overspend of £6.800m with additional net risks of £0.125m.

#### Period 6 Forecast Outturn by Cabinet Portfolio

Cabinet Portfolio	Full Year Budget (£m)	Full Year Forecast (£m)	Full Year Variance to Date (£m)	Risks Identified (£m)	Opps Identified (£m)	Projected Variance inc Opps and Risks (£m)
Leader of the Council	7.590	6.482	(1.108)	-	-	(1.108)
Deputy Leader and Business, Culture and Heritage	(3.879)	(3.663)	0.216	-	-	0.216
Finance, Property and Corporate Services	46.420	44.540	(1.880)	1.340	(0.575)	(1.115)
Adult Social Services and Public Health	58.954	58.954	-	-	-	-
City Highways	(43.228)	(46.755)	(3.527)	0.750	(1.075)	(3.852)
Children, Families and Young People	31.416	32.055	0.639	-	-	0.639
Planning and Public Realm	1.764	1.194	(0.570)	-	(0.130)	(0.700)
Environment, Sports and Community	50.532	49.912	(0.620)	-	(0.370)	(0.990)
Housing	26.694	26.744	0.050	0.185	-	0.235
<b>NET CONTROLLABLE BUDGET</b>	<b>176.263</b>	<b>169.463</b>	<b>(6.800)</b>	<b>2.275</b>	<b>(2.150)</b>	<b>(6.675)</b>
Council Tax*	52.022	52.022	-			
Business Rates - Net of Tariff*	78.080	78.080	-			
Revenue Support Grant	46.161	46.161	-			
<b>CORPORATE FINANCING</b>	<b>176.263</b>	<b>176.263</b>	<b>-</b>			
<b>Net (Surplus) / Deficit</b>	<b>-</b>	<b>(6.800)</b>	<b>(6.800)</b>			

*\*Any additional receipts from council tax or business rates are not recognised until next year and are therefore forecast on budget.*

A summary of the key causes of the underlying variances and net opportunities are set out over the following pages:

### **Leader of the Council**

The Leader of the Council portfolio is forecasting a £1.108m underspend against budget. This forecast underspend is driven by vacancies within a number of services areas within this portfolio (Evaluation and Performance; Corporate Strategy & Transformation; Policy & Strategy; Campaigns & Customer Engagement; and PPC Directorate Development).

There are no risks nor opportunities reported in period 9.

### **Deputy Leader and Business, Culture and Heritage**

At the end of period 9, the Deputy Leader and Business, Culture and Heritage portfolio is forecasting a £0.216m overspend against budget. This is due to a £0.296m shortfall in income from City Promotion, Events and Filming, offsetting a £0.080m net savings across salaries and supplies and services in Public Protection and Licensing and Lord Mayor's Secretariat services.

There are no risks nor opportunities reported in period 9.

### **Finance, Property and Corporate Services**

At the end of period 9, the Finance, Property and Corporate Services portfolio is forecasting a £1.880m underspend against budget.

The £1.880m net underspend comprises a number of services within the portfolio, the largest variances being in Property Investments and Estates where there is an under recovery of £0.970m in-year relating to Major Projects monitoring fees. This is due to the re-profiling of the programme at Luton Street and deferral of expenditure relating to Tollgate, pushing the receipt of fees back into 2018/19.

In Treasury and Pensions there is an over recovery on interest earnings of £1.800m. The Revenue and Benefits Service an over recovery of £0.402m from business rates collection in Revenue service, an underspend of £0.024m from running costs and an over recovery of £0.015m from fines and penalties. However, this is partly offset by under recovery of £0.105m grant income within the Benefits service. Information services are reporting a £0.440m underspend from contract savings and s113 over-recovery.

Risks of £1.340m are reported in this portfolio, which relates to the Property Estate and Investment service. This is mainly attributable to £1.200m arising from the Amey facilities management contract (£0.700m one-off and £0.500m on-going).

An additional risk has been highlighted amounting to £0.140m regarding the achievability of income from nursery leases.

Potential opportunities of £0.575m have been identified. There is a potential Key Performance Indicator underperformance deduction that has been flagged by Link against Amey which will be split between the 3 boroughs. If successful, this could result in an upside of around £0.250m.

There is a £0.325m opportunity for further over recovery on interest earnings that will become more apparent throughout the year

### **Adult Social Services and Public Health**

At the end of period 9, Adult Social Services and Public Health is forecasting a nil variance against budget.

Adults Services is forecasting a breakeven position with a forecast outturn for this month of £60.102m. This is after planned utilisation of funds as shown below.

There are on-going pressures on Adult Social Care budgets and a forecast demand growth for care services because of increasing numbers of older people, people with disabilities and people with long term health conditions needing care. These demographic pressures are exacerbated by increasing pressure from hospitals to discharge patients in a timely fashion, particularly during the winter months.

The fragile state of the care market and unavoidable cost pressures will continue to be a major challenge. Acuity and level of complexity is increasing alongside demographic changes, workforce pressures from the Living Wage and the driving down of price are all major dynamics that are impacting on the availability and quality of services.

The intention of the Government funding in the Spring Budget, Improved Better Care Fund (iBCF) and Social Care Grant of £10.050m is to stabilise ASC given the aforementioned pressures and is being deployed to fund increased pressures in contract, packages and placements across supplies and services, Contract Costs, Transfer Payments and Investment to reduce Delayed Discharges. Expenditure funded by the iBCF/spring budget monies has been approved by the Health and Wellbeing Board and forms part of the on-going funding negotiations and joint programme of savings between Adult Social Care and the NHS.

A Transformation/Market Stabilisation Reserve will be created using efficiencies generated by the Service against the core Council Budget of £50.052m. This for use in future years as part of an on-going transformation plan and to smooth the impact of the potential fallout of the iBCF funding in 2020/21. This is estimated at P9 to be £1.100m for Market Stabilisation and £2.058m Transformation.

Any underspends from the iBCF will also be transferred to the Transformation Reserve to support integrated services and to develop future savings for both the LA and the NHS investment in DToC (Delayed Transfers of Care) High Impact Change Model.

At Period 9 Public Health is forecasting a nil variance and a net saving of £3.452m which will help reduce the drawdown from the earmarked Public Health reserve to £2.782m. This is due to the ring-fenced nature of the associated grant funding. Of the gross expenditure budget of approximately £38m, over £9m has been allocated in 2017/18 to improve public health outcomes through collaboration with other directorates.

There are no risks nor opportunities reported in period 9.

## **City Highways**

At the end of period 9, the City Highways portfolio is forecasting a £3.527m underspend. This is attributable to the over recovery of suspensions' income and underspends in concessionary fares and contract efficiencies including early delivery of 2018/19 MTP savings, within the Parking services; and vacancies within Highways Infrastructure and Public Realm services.

There is a risk of £0.750m relating to paid for parking revenue. If this risk materialises, it may be offset by opportunities totalling £1.075m comprising £1.000m within the service due to the strong performance of suspensions' revenue and contract efficiencies with NSL and £0.075m from Public Protection and Licensing.

## **Children, Families and Young People**

At the end of period 9, the forecast outturn for Children's Services is an overspend of £0.639m which represents 2% of the budget.

Within Family Services there are pressures on budgets for mother and baby court directed assessments and families requiring assistance. Unaccompanied Asylum Seeking Children numbers have increased to 60 cases causing a pressure of £0.167m. The Emergency Duty Team is generating an overspend caused by demand led staffing pressures.

No risks have been quantified for period 9 but additional costs due to the change in staffing arrangements from supporting Tri-Borough to Bi-Borough have started to materialise in Finance and Resources. Consultation on the reorganisation has now concluded.

There are no risks nor opportunities reported in period 9.

## **Planning and Public Realm**

At the end of period 9, the Planning and Public Realm portfolio is forecasting an underspend of £0.570m. This is mainly due to £0.770m of employee cost underspends, as vacancies are being held in the department. This is partly offset by Building control income under recovery as a result of competition from the private sector.

Potential opportunities exist of £0.130m on planning fee income.

## **Environment, Sports and Community**

At the end of Period 9, the Environment, Sports and Community portfolio is forecasting a £0.620m underspend against the budget.

This relates mainly to Waste and Parks, where the forecast outturn is an underspend of £0.674m as a result of the impact of lower waste volumes on costs.

These are partly offset by an overspend of £0.284m within the Libraries and Registrars service, due largely to the under achievement of income within the Registration Service as well as additional marketing spend for Old Marylebone Town Hall which is open for ceremonies from January 2018.

No risks are reported in period 9.

Total opportunities are now £0.370m. This reflects the continuing impact of anticipated reductions in waste volumes and additional income generation at Sayers Croft Outdoor Centre.

No risks are reported in period 9.

## Housing

At the end of period 9, the Housing portfolio is forecasting an overspend of up to £0.050m due to legal and financial expertise required for the Wholly Owned Housing Company. This was previously reported as a risk.

Homelessness has a forecast overspend in the region of £0.892m due to policy decisions on the need to reduce homelessness, plus an additional £0.195m overspend on legal expenditure arising from settlement costs and legal challenges under review.

Temporary accommodation has an overspend of £0.730m in Period 9 arising from high demands, and high housing costs. Additionally, an overspend of £0.139m is forecast on interest chargeable on TA Out of Borough acquisitions due to the programme being ahead of schedule.

A risk of £0.185m on Supporting People contract costs due as 2016/17 costs billed late by a supplier but not accrued for is now reported.

No opportunities reported in period 9.

## 7. Capital – Forecast Outturn

Capital projects are currently reporting a gross expenditure outturn of £276.601m and gross income of £197.174m against a gross expenditure budget of £370.021m and gross income budget of £205.102m. This brings the net favourable variance to £85.494m.

This underspend mostly comprises of re-profiling of Finance, Property and Corporate Services projects (net £70.755m) into future years. However, these are partially offset by the re-profiled Private Sector Housing Discharge schemes which have £5.700m of spend brought forward from 2018/19 and an overspend on Temporary Accommodation Purchases (£3.521m) due to additional purchases. The contingencies are forecast to release £9.000m due to the likelihood of needing contingencies diminishing as the year progresses along with £12.305m of forecast over-recovery of capital receipts increasing the net underspend.

A summary of the above is set out in the table below:

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance (%)
<b>Summary</b>								
Deputy Leader , Business, Culture & Heritage	19,720	(11,935)	15,804	(11,800)	(3,916)	135	(3,781)	-49%
Finance, Property & Corporate Services	214,408	(31,185)	136,581	(24,149)	(77,827)	7,036	(70,791)	-39%
Adult Social Services & Public Health	8,057	(2,770)	4,046	(2,446)	(4,011)	324	(3,687)	-70%
City Highways	31,244	(12,622)	24,312	(7,002)	(6,932)	5,620	(1,312)	-7%
Children, Families and Young People	10,847	(10,041)	10,856	(10,050)	9	(9)	0	0%
Planning & Public Realm	18,488	(17,403)	14,958	(14,537)	(3,530)	2,866	(664)	-61%
Environment, Sports & Community	15,836	(1,550)	14,029	(1,500)	(1,807)	50	(1,757)	-12%
Housing	51,421	(37,846)	56,015	(33,636)	4,594	4,210	8,804	65%
<b>Service Area Total</b>	<b>370,021</b>	<b>(125,352)</b>	<b>276,601</b>	<b>(105,119)</b>	<b>(93,421)</b>	<b>20,231</b>	<b>(73,187)</b>	<b>-30%</b>
Capital Receipts & Contingencies		(79,750)		(92,055)	-	(12,305)	(12,305)	15%
<b>Total</b>	<b>370,021</b>	<b>(205,102)</b>	<b>276,601</b>	<b>(197,174)</b>	<b>(93,421)</b>	<b>7,926</b>	<b>(85,494)</b>	<b>-52%</b>
Funded by Borrowing		(164,919)		(79,427)		85,494	85,494	-52%
		<b>(370,021)</b>		<b>(276,601)</b>		<b>93,421</b>	<b>-</b>	

### Deputy Leader - Business, Culture and Heritage

The Deputy Leader portfolio is forecasting an underspend of £3.916m in gross expenditure and an under-recovery of £0.1351m in gross income against annual spend budget of £19.720m and funding of £11.935m, leading to a net underspend of £3.781m.

The net underspend has increased from the £1.674m in period 8. This is mainly the result of two re-profiled projects: WEP- Enterprise has re-profiled £0.800m to future years due to delays in obtaining vacant possession and WEP – General Funding has also re-profiled an additional £0.507m in to 2018/19.

Oxford Street East and Oxford Street West have £1.390m re-profiled out of 2017/18 contributing to the net underspend. This is partially offset by The Strand – Aldwych project which has begun design work and project timelines have been accelerated. This has resulted in £0.590m of net expenditure being brought forward.

## Finance, Property and Corporate Services

The Finance, Property and Corporate Services portfolio is forecasting a net underspend of £70.791m by year end. The gross expenditure is a forecast of £136.581m against a budget of £214.408m while the gross external funding forecast is £24.149m against a budget of £31.185m.

The re-profiling of three significant schemes, Strategic Acquisition – Leisure Review (£22.673m), Property Investment Schemes (£21.613m) and Dudley House (£10.475m), to future years along with a £9.000m underspend in capital contingency due to reduced need as we move through the financial year, contributes to this net underspend.

The significant changes from period 8 include the City Hall Improvement project which has reduced by £5.493m due to being re-profiled into 18/19 and Strategic Acquisitions (Huguenot) has reduced further by £1.500m which reflects revised expectations regarding to completions before year end. These are partially offset by the re-profiling of £0.886m within the Digital Transformation due to the development costs relating to the Digital platform having been brought forward.

## Adult Social Services and Public Health

Adults Social Services and Public Health portfolio is forecasting a net underspend of £3.687m by the end of year against a gross spend budget of £8.057m and a gross income budget of £2.770m.

The re-profiling of £3.487m of the overall £6.887m spend budget for the Beachcroft House scheme is the main forecast underspend within this portfolio. The first phase of the Framework-I project is almost complete; the second phase is expecting a full completion by March 2018.

## City Highways

The City Highways portfolio is forecasting a net underspend of £1.312m with an underspend of £6.932m in expenditure and £5.620m in external funding against the gross spend budget £31.244mm and external funding budget of £12.622m.

The variance is due to the re-profiling of the Waterloo & Golden Bridge (£0.655m) and Harrow Road Bridge Catholic Protection (£0.300m) schemes. In addition, the Cycle Schemes project is forecasting to underspend by £5.163m due to the cut down of scope of the Cycle Grid Programme and the key routes to be delivered. However, Cycle Schemes have a matched reduction in funding leading to a net nil effect on the net outturn.



## Children, Families and Young People

Children Families and Young People portfolio is forecasting a £0.009m overspend with a fully matched increase in funding resulting in a nil effect on net outturn. The forecast is £10.856m against a gross expenditure budget of £10.847m, and £10.050m against an external funding budget of £10.041m.

Within what is a balanced position there are two new projects which are £0.364m King Solomon Expansion and £0.230m Hallfield Community Space. These are mostly offset by a re-profiling of the Westminster City scheme by £0.592m. These movements in forecast spend are matched by funding.

## Planning and Public Realm

Against a gross expenditure budget of £18.488m and an income budget of £17.403m, the Planning and Public Realm portfolio forecasts an underspend in expenditure of £3.530m and an under recovery of £2.866m in funding which contributes a net underspend of £0.664m. The net variance is due to the re-profiling of the Newport Place, with a reduction in spend of £1.050m and a reduction in expected external funding by £0.700m leading to a net underspend of £0.350m. The re-profiling of Strutton Ground project is leading to a net underspend of £0.314m. In addition, there are movements in other schemes, such as the re-profiling of Newport Place (£0.300m) and Jermyn Street (£0.500m), but these have a net nil effect on overall outturn due to the changes being matched by forecast income.

## Environment, Sport and Community

The Environment, Sport and Community portfolio is forecasting a net underspend of £1.757m against a gross spend budget of £15.836m and an external funding budget of £1.550m.

The underspend has arisen from re-profiling expenditure on Libraries Minor Works (£0.485m), Paddington Recreation Ground Synthetic Pitch Replacement (£0.300m) due to awaiting information from Sport England, and Moberley Sports Centre Redevelopment (£0.772m).

## Housing

The Housing portfolio is forecasting a net overspend of £8.804m. The gross expenditure is forecast of £56.015m against a budget of £51.421m and the gross funding is forecast of £33.636m against a budget of £37.846m.

The Private Sector Housing Discharge Initiatives being brought-forward to this year (£5.700m) due to being ahead of schedule is a significant cause of the variance, together with an overspend on Temporary Accommodation Acquisitions (£3.521m) reflecting the purchase of additional units in this financial year. These are slightly offset by an underspend on the Disabled Facility Grant programme (£0.317m).

## 8. Capital – Major Projects Update

**Luxborough Development** – A cabinet member report has been completed seeking approval to take the project forward for either a mixed use development or full housing development. An outline business case should be completed at some point this year.

**Sir Simon Milton UTC** – The school is due to open next month and the residential units should be complete by the end of the financial year.

**Moberly/Jubilee** – Construction is on programme, with practical completion expected for Jubilee in September and Moberly in May 2018.

**Seymour Leisure Centre** – Approval has been given for the leisure centre to include a library (as a relocation of Marylebone Library). The project team are now working towards completing this refurbishment in 2018/19.

**Dudley House** – Construction is going as planned with the school due to open in September and the residential units due to complete in April 2019.

**Huguenot House** – Following a cabinet decision the project team are progressing with a residential led, planning compliant (35% affordable) option. A formal consultation will now take place with residents and the local community regarding the development and the outcome of this consultation will be reported back to members before progressing with the project any further.

**Leisure Estate Review** – The Council is continuing with land assembly (purchasing of surrounding properties as they become available) while we await a member steer on how to move forward with the development.

**Lisson Grove Programme** – A multi-disciplinary team have now been appointed to carry out further design and site investigation work on the site. An OBC will be completed in 2018/19 to take the project to the next stage.

**Beachcroft** – Contractors have been appointed to carry out the land assembly of the site (demolitions works etc.) and a Full Business Case was approved in November with construction works to begin at the beginning of 2018/19. The development is due to complete in December 2019.

**Westmead/Carlton Dene** – Options are currently being explored for these sites ensuring it has the right mix of housing and care provision.

**West End Partnership** – A decision on funding for the WEP investment programme was not included in the Chancellor's 2017 autumn budget, but might be considered again as part of the next government budget cycle. While this does not preclude further approaches to the Treasury and other parts of Government before then, the WEP team are considering other funding options and the scale and nature of the projects themselves.

## 9. General Funding Capital Programme by Priority

### Development

Reprofiling of four significant schemes (Dudley House - £10.475m, Huguenot House - £5.448m, Leisure Review - £22.673m and Beachcroft - £3.487m) plus some other positive variances totalling (£4.993m) produces a forecast net favourable variance within development group of £37.149m.

### Investment

There is a £21.613m variance as there has only been one investment acquisition (14-20 Orange Street) this year. The variance will be reprofiled to 2018/19 to support further investment opportunities.

### Operational

The £14.425m variance is in relation to the reprofiling of £5.493m contingency related to City Hall that is not required for the remainder of this year as the project remains on track. A further £9.000m general project contingency is also not required at period 9.

There is re-profiling of future budgets into 2017/18 of Temporary Accommodation Acquisition (£3.521m) and Private Sector Housing Discharge Initiatives (£5.700m) as these projects are expected to complete ahead of schedule.

The Coroner's Court Improvements project has re-profiled £2.353m and West End Partnership projects has re-profiled £3.283m into next year. Various smaller projects make up the remaining £3.517m variance.

A summary of the above is set out in the table below:

Category	Full Year Budget		Full Year Forecast		Full Year Variance		Variance Net £000s
	Spend £000s	Income £000s	Spend £000s	Income £000s	Spend £000s	Income £000s	
Development	145,978	(73,291)	93,145	(57,607)	(52,833)	15,683	(37,149)
Investment	37,613	-	16,000	-	(21,613)	-	(21,613)
Operational	186,430	(52,061)	167,456	(47,512)	(18,975)	4,548	(14,425)
<b>Grand Total</b>	<b>370,021</b>	<b>(125,352)</b>	<b>276,601</b>	<b>(105,119)</b>	<b>(93,421)</b>	<b>20,231</b>	<b>(73,187)</b>

10.

## 10. HRA

### REVENUE EXPENDITURE – 2017/18 Budgets and Projected Expenditure

At the end of period 9, the HRA is forecasting a £2.765m overspend against budget.

HRA controllable expenditure is forecast to be £0.309m lower than budget due to £20m of debt being refinanced at a lower interest rate saving £0.110m, and a depreciation charge based on 2017 valuations is lower by £0.736m. These underspends in were partially offset by cost increases in supplies and services, in particular, costs of £0.940m to reorganise CWH and Housing Options Service, and legal fees associated with retendering of repairs and maintenance contracts and progressing regeneration schemes.

Higher income from lease extensions £0.935m, service and facility charges £0.414m and rent £0.075m were offset by lower income from major works recoveries from lessees £4.291m, interest on balances £0.143m and various other minor under recoveries.

### CAPITAL EXPENDITURE – 2017/18 Budgets and Projected Expenditure

At Period 9 the forecast outturn is £79.934m resulting in a total variance of £61.899m compared to the budget of £141.833m. This includes underspends for the Major Works programme of £15.065m, the Housing Regeneration schemes of £42.670m and Other Projects of £4.164m.

The reasons for the underspends are:

- Major Works programmes have been delayed because the new term contractors are mobilising to deliver the work. The underspend of £15.065m includes cost savings under the new contract of which about £6m is proposed to be transferred to cover planned maintenance, responsive repairs and staffing costs which were previously capitalised.
- On Regeneration, schemes have been re-profiled due to additional stakeholder consultation, additional governance and planning processes. Forecast underspend for the Church Street group of schemes totals £37.065m. Acquisitions are continuing under the Ebury Bridge scheme, however, a full redesign to ensure viability of the development has resulted in a forecast underspend of £5.800m. Tollgate Gardens is forecasting an overspend of £0.196m due to right-of-light claims being forecast at £0.200m for which there was no budget allocation in 2017/18.
- Other Projects include a contingency of £4.086m that is not expected to be needed. In addition, the Self-Financing scheme is forecast to overspend by £1.572m. With the further purchases underway, the forecast may need to be increased if completions occur before 31/3/2018. This can be funded from receipts generated by

the scheme. Only two of ten Infill schemes are expected to be completed this year resulting in a forecast underspend of £0.929m. Kemp House shows a forecast underspend of £0.722m. This scheme involves buying four affordable housing units from a developer who has reported slippage in the construction programme. Consequently, the acquisitions will be deferred to 2018/19 as work which started on site in October 2016 is expected to be completed by October 2018.

#### **HRA Capital Expenditure as at 31 December 2017**

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>
Major Works	45,750	30,685	(15,065)
Housing Regeneration	68,258	25,588	(42,670)
Other Projects	27,826	23,661	(4,164)
<b>Total Capital Expenditure</b>	<b>141,833</b>	<b>79,934</b>	<b>(61,899)</b>

<b>Description</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>
<i>Financed By:</i>			
Major Repairs Reserve (MRR)	23,308	23,332	24
New Borrowing	12,835	-	(12,835)
Capital Grant - AHF	19,359	10,255	(9,104)
Capital Receipts - Self Financing and Infills	11,487	20,000	8,513
GLA Grant	-	2,270	2,270
Capital Receipts - Other	21,187	486	(20,701)
Capital Receipts - RTB Local Agreement	17,476	10,618	(6,858)
HRA Reserves	36,181	12,973	(23,208)
<b>Total Financing</b>	<b>141,833</b>	<b>79,934</b>	<b>(61,899)</b>

## Appendix 1: Capital Programme by Portfolio

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Deputy Leader - Business, Culture and Heritage</b>								
WEP - ENTERPRISE	1,100	-	300	-	(800)	-	(800)	Re-Profiled
WEP - THE STRAND/ALDWYCH	200	-	936	(146)	736	(146)	590	Re-Profiled
WEP - OXFORD STREET EAST	597	-	597	(512)	-	(512)	(512)	Re-Profiled
WEP - OXFORD STREET WEST	2,046	(400)	1,496	(728)	(550)	(328)	(878)	Re-Profiled
WEP - GENERAL FUNDING	1,297	-	-	-	(1,297)	-	(1,297)	Re-Profiled
WEP - AIR QUALITY	150	-	150	-	-	-	-	
WEP - CONNECT WESTMINSTER (BROADBAND)	1,054	(491)	353	(177)	(701)	314	(387)	Re-Profiled
BAKER STREET TWO WAY	5,954	(5,957)	5,700	(5,700)	(254)	257	3	Re-Profiled
BOND STREET	5,422	(3,787)	4,922	(3,787)	(500)	-	(500)	Re-Profiled
HANOVER SQUARE	1,000	(1,000)	750	(750)	(250)	250	-	Re-profiled
QUEENSWAY STREETScape	900	(300)	600	-	(300)	300	-	Re-Profiled
	<b>19,720</b>	<b>(11,935)</b>	<b>15,804</b>	<b>(11,800)</b>	<b>(3,916)</b>	<b>135</b>	<b>(3,781)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Finance, Property and Corporate Services</b>								
DUDLEY HOUSE	42,300	(15,846)	31,825	(15,846)	(10,475)	-	(10,475)	Re-Profiled
LUXBOROUGH DEVELOPMENT	500	-	200	-	(300)	-	(300)	Re-Profiled
CITY HALL IMPROVEMENT - MAJOR REFURBISHMENT	35,493	-	30,000	-	(5,493)	-	(5,493)	Re-Profiled
LANDLORD RESPONSIBILITIES	1,367	-	898	-	(469)	-	(469)	U/spend
CAPITALISED SALARY COSTS	504	-	504	-	-	-	-	
REFURBISHMENT OF CORONERS COURT	2,403	-	50	-	(2,353)	-	(2,353)	Re-profiled
ENERGY MONITOR & TARGET	230	-	230	-	-	-	-	
LISSON GROVE IMPROVEMENT-INFRASTRUCTURE	1,281	-	600	-	(681)	-	(681)	Re-Profiled
SIR SIMON MILTON UNIVERSITY TECHNICAL COLLEGE	2,977	(15,339)	4,021	(8,303)	1,044	7,036	8,080	O/Spend
MANDELA WAY UPGRADE RENTAL PROPERTY	398	-	-	-	(398)	-	(398)	Re-Profiled
HOUSE LEASE	1,656	-	1,656	-	-	-	-	
41 WHITCOMB/HUGUENOT HOUSE REDEVELOPMENT	400	-	400	-	-	-	-	
FORWARD MANAGEMENT PLAN	1,314	-	1,100	-	(214)	-	(214)	Re-Profiled
LANDLORD RESPONSIBILTY - REGENCY CAFE	140	-	-	-	(140)	-	(140)	Re-Profiled
LANDLORD RESPONSIBILITY - MAYFAIR LIBRARY	950	-	815	-	(135)	-	(135)	Re-Profiled
9/11 New Cavendish Street	-	-	414	-	414	-	414	
LANDLORD RESP – ABBEY CENTRE	-	-	55	-	55	-	55	
COSWAY STREET	500	-	200	-	(300)	-	(300)	Re-Profiled
CIRCUS ROAD	300	-	45	-	(255)	-	(255)	U/spend
FARM STREET	199	-	199	-	-	-	-	
PROPERTY INVESTMENT SCHEMES	37,613	-	16,000	-	(21,613)	-	(21,613)	Re-Profiled
SEYMOUR LEISURE CENTRE (MARYLBONE LIBRARY)	500	-	150	-	(350)	-	(350)	Re-Profiled
COUNCIL HOUSE FIT OUT OF ADDITIONAL REQUIREMENTS	696	-	696	-	-	-	-	
33 TACHBROOK STREET	927	-	950	-	23	-	23	O/Spend
STRATEGIC ACQUISITION - HUGUENOT HOUSE	8,948	-	3,500	-	(5,448)	-	(5,448)	Re-Profiled
STRATEGIC ACQUISITIONS - LEISURE REVIEW	27,173	-	4,500	-	(22,673)	-	(22,673)	Re-Profiled
LISSON GROVE PROGRAMME	775	-	1,000	-	225	-	225	Re-Profiled
DATA CENTRE REFRESH	90	-	90	-	-	-	-	
CORPORATE SOFTWARE LICENCES	20	-	15	-	(5)	-	(5)	U/Spend
PARKING & INTEGRATED STREET MANAGEMENT IT	77	-	77	-	-	-	-	
DATA NETWORK REFRESH	353	-	401	-	48	-	48	O/Spend
END USER COMPUTING REFRESH	616	-	434	-	(182)	-	(182)	Re-profiled
DIGITAL TRANSFORMATION	1,170	-	2,056	-	886	-	886	Re-profiled
BI TRI BOROUGH CAPITAL	38	-	-	-	(38)	-	(38)	U/Spend
CAPITAL CONTINGENCY	13,500	-	4,500	-	(9,000)	-	(9,000)	U/Spend
CITY HALL REVENUE COSTS	9,000	-	9,000	-	-	-	-	
CAPITALISATION OF PENSION CONTRIBUTION	20,000	-	20,000	-	-	-	-	
	<b>214,408</b>	<b>(31,185)</b>	<b>136,581</b>	<b>(24,149)</b>	<b>(77,827)</b>	<b>7,036</b>	<b>(70,791)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Adult Social Services and Public Health</b>								
BARNEY & FLOREY	182	(182)	-	-	(182)	182	-	Re-profiled
FRAMEWORKING UPGRADE TO MOSAIC	288	(288)	246	(246)	(42)	42	-	U/spend
PEOPLE FIRST WEBSITE	100	(100)	50	(50)	(50)	50	-	Re-profiled
HEALTH INTEGRATION	100	(100)	50	(50)	(50)	50	-	Re-profiled
MOBILE WORKING	100	(100)	100	(100)	-	-	-	-
BEACHCROFT	6,887	(2,000)	3,400	(2,000)	(3,487)	-	(3,487)	Re-Profiled
CARLTON DENE	200	-	100	-	--	-	--	Re-Profiled
WESTMEAD	200	-	100	-	--	-	--	Re-Profiled
	<b>8,057</b>	<b>(2,770)</b>	<b>4,046</b>	<b>(2,446)</b>	<b>(4,011)</b>	<b>324</b>	<b>(3,687)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>City Highways</b>								
CAMBRIDGE CIRCUS IMPROVEMENTS	1,268	(542)	1,268	(542)	-	-	-	
CCTV CRIME AND DISORDER ESTATE	1,704	-	1,546	-	(158)	-	(158)	Re-Profiled
CYCLE SCHEMES	8,117	(8,117)	2,954	(2,954)	(5,163)	5,163	-	U/Spend
HARROW ROAD BRIDGE CATHODIC PROTECTION	400	-	100	-	(300)	-	(300)	Re-Profiled
LOCAL SAFETY AND TRAFFIC MANAGEMENT SCHEMES	3,789	(2,579)	3,789	(2,579)	-	-	-	
PICCADILLY UNDERPASS	100	-	100	-	-	-	-	
PLANNED PREVENTATIVE MAINTENANCE - HIGHWAYS, LIGHTING, BRIDGES AND STRUCTURES	13,277	(970)	12,971	(663)	(306)	307	1	U/Spend
PUBLIC REALM IMPROVEMENT SCHEMES	15	(15)	15	(15)	-	-	-	
ST JAMES'S PALACE FORECOURT	250	(250)	250	(250)	-	-	-	
VICTORIA EMBANKMENT STURGEONS	620	-	420	-	(200)	-	(200)	Re-Profiled
WATERLOO AND GOLDEN JUBILEE BRIDGE	1,555	-	900	-	(655)	-	(655)	Re-Profiled
NEW HOME BONUS PLACES OF WORK	150	(150)	-	-	(150)	150	-	Re-Profiled
	<b>31,244</b>	<b>(12,622)</b>	<b>24,312</b>	<b>(7,002)</b>	<b>(6,932)</b>	<b>5,620</b>	<b>(1,312)</b>	

	Spend Budget (£,000's)	Income Budget (£,000's)	Spend Forecast (£,000's)	Income Forecast (£,000's)	Spend Variance (£,000's)	Income Variance (£,000's)	Net Variance (£,000's)	Variance Cause
<b>Children, Families and Young People</b>								
PIMLICO ACADEMY	-	-	5	(5)	5	(5)	-	O/spend
ROBINFIELD NEW RECEPTION	-	-	108	(108)	108	(108)	-	O/Spend
HALLFIELD HEATING & DISTRIBUTION	642	(642)	642	(642)	-	-	-	U/spend
HALLFIELD COMMUNITY SPACES PROJECT			230	(230)	230	(230)	-	O/spend
BEACHCROFT EXPANSION	129	(129)	130	(130)	1	(1)	-	O/Spend
UNIVERSAL INFANT FREE SCHOOL MEALS	20	(20)	20	(20)	-	-	-	O/Spend
ST GEORGE'S SCHOOL EXPANSION	4,159	(4,159)	4,159	(4,159)	-	-	-	Re-profiled
KING SOLOMON SCHOOL EXPANSION	-	-	364	(364)	364	(364)	-	O/Spend
WESTMINSTER CITY SCHOOL ACADEMY EXPANSION	4,586	(4,586)	3,994	(3,995)	(592)	591	(1)	U/spend
PORTMAN - BOILER AND DISTRIBUTION	104	(104)	104	(104)	-	-	-	O/Spend
REMODELLING OF EARLY HELP/CHILDREN'S SERVICES INVESTMENT	806	-	807	-	1	-	1	O/Spend
QUEEN'S PARK SAFEGUARDING WORKS	17	(17)	20	(20)	3	(3)	-	O/Spend
QUEENS PARK SCHOOL - BOILER REPLACEMENT	120	(120)	131	(131)	11	(11)	-	O/Spend
SCHOOLS MINOR WORKS PROJECTS	264	(264)	142	(142)	(122)	122	-	U/spend
	<b>10,847</b>	<b>(10,041)</b>	<b>10,856</b>	<b>(10,050)</b>	<b>9</b>	<b>(9)</b>	<b>-</b>	

	Spend Budget	Income Budget	Spend Forecast	Income Forecast	Spend Variance	Income Variance	Net Variance	Variance Cause
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<b>Planning and Public Realm</b>								
ABELL AND CLELAND PUBLIC REALM	500	(500)	100	(100)	(400)	400	-	Re-Profiled
BERKELEY SQUARE NORTH	500	(500)	500	(500)	-	-	-	
CATHEDRAL PIAZZA	200	(200)	50	(50)	(150)	150	-	U/Spend
CEREMONIAL STREETSCAPE	2,500	(2,500)	1,500	(1,500)	(1,000)	1,000	-	Re-Profiled
CLEVELAND ROW PUBLIC REALM	550	(550)	58	(58)	(492)	492	-	Re-Profiled
DUKE STREET PUBLIC REALM	754	(754)	654	(654)	(100)	100	-	
EAST MAYFAIR PUBLIC REALM SCHEME	421	(421)	421	(421)	-	-	-	
JERMYN STREET	3,500	(3,500)	3,000	(3,000)	(500)	500	-	
MARYLEBONE LANE PHASE 2	1,100	(1,100)	664	(664)	(270)	270	-	U/Spend
MARYLEBONE LANE PHASE 2					(166)	166	-	Re-Profiled
MOTCOMB STREET PUBLIC REALM IMPROVEMENTS	922	(922)	922	(922)	-	-	-	
NEWPORT PLACE	2,350	(2,000)	1,000	(1,000)	(1,350)	1,000	(350)	Re-Profiled
PARLIAMENTARY ESTATES DUCTING	1,300	(1,300)	1,800	(1,800)	500	(500)	-	O/Spend
PLANNED PREVENTATIVE MAINTENANCE - HIGHWAYS, LIGHTING, BRIDGES AND STRUCTURES	92	(92)	92	(92)	-	-	-	
PUBLIC REALM IMPROVEMENT SCHEMES	3,016	(2,941)	3,728	(3,653)	712	(712)	-	O/Spend
STRUTTON GROUND	614	(124)	300	(124)	(314)	-	(314)	Re-Profiled
STREET TREES - NEW PLANTING	170	-	170	-	-	-	-	
	<b>18,488</b>	<b>(17,403)</b>	<b>14,958</b>	<b>(14,537)</b>	<b>(3,530)</b>	<b>2,866</b>	<b>(664)</b>	

	Spend Budget	Income Budget	Spend Forecast	Income Forecast	Spend Variance	Income Variance	Net Variance	Variance Cause
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<b>Environment, Sports and Community</b>								
CEMETERIES IMPROVEMENTS	67	-	67	-	-	-	-	
LEISURE FACILITIES CAPITAL INVESTMENT PROGRAMME	806	(100)	806	(100)	-	-	-	
LIBRARIES 6 YEAR REDECORATION PROGRAMME	799	-	314	-	(485)	-	(485)	Re-Profiled
MULTI USE GAMES AREAS AND OUTDOOR FITNESS FACILITIES	260	(50)	70	-	(190)	50	(140)	Re-Profiled
OPEN SPACES STRATEGY AND PARKS CAPITAL WORKS	589	-	589	-	-	-	-	
PADDINGTON RECREATION GROUND CAPITAL IMPROVEMENTS	137	-	137	-	-	-	-	
PADDINGTON RECREATION GROUND CHILDRENS PLAYGROUND	150	-	90	-	(60)	-	(60)	Re-Profiled
PADDINGTON RECREATION GROUND SYNTHETIC PITCH REPLACEMENT	300	-	-	-	(300)	-	(300)	Re-Profiled
SELCHP PLANT IMPROVEMENTS	101	-	101	-	-	-	-	
WASTE CONTAINERS	180	-	180	-	-	-	-	
WESTMINSTER LIBRARY REFURBISHMENT	340	-	340	-	-	-	-	
MOBERLEY SPORTS CENTRE REDEVELOPMENT	12,107	(1,400)	11,335	(1,400)	(772)	-	(772)	Re-Profiled
	<b>15,836</b>	<b>(1,550)</b>	<b>14,029</b>	<b>(1,500)</b>	<b>(1,807)</b>	<b>-</b>	<b>(1,757)</b>	

	Spend Budget	Income Budget	Spend Forecast	Income Forecast	Spend Variance	Income Variance	Net Variance	Variance Cause
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	
<b>Housing</b>								
DISABLED FACILITIES GRANT PROGRAMME	1,614	(1,297)	1,297	(1,297)	(317)	-	(317)	U/Spend
SAFE AND SECURE RENOVATION	200	-	100	-	(100)	-	(100)	U/Spend
CHURCH STREET GREEN SPINAL			200	(200)	200	(200)	-	Overspend
AFFORDABLE HOUSING FUNDING BUDGET	19,964	(19,964)	12,588	(12,588)	(7,376)	7,376	-	Re-Profiled
TEMPORARY ACCOMMODATION PURCHASES	2,258	-	5,779	-	3,521	-	3,521	Overspend
TEMPORARY ACCOMMODATION PURCHASES (IN BOROUGH BUY)	16,585	(16,585)	19,551	(19,551)	2,966	(2,966)	-	Overspend
HOUSING INVESTMENT IN DISCHARGE OF DUTY	10,800	-	13,500	-	2,700	-	2,700	Re-Profiled
PRIVATE SECTOR HOUSING DISCHARGE INITIATIVE PHASE 2			3,000	-	3,000	-	3,000	Overspend
	<b>51,421</b>	<b>(37,846)</b>	<b>56,015</b>	<b>(33,636)</b>	<b>4,594</b>	<b>4,210</b>	<b>8,804</b>	



## Appendix 2: HRA Capital Programme Expenditure Detail

Description	Full Year			Year to Date		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Actuals £'000	Variance £'000
<b>Major Works</b>						
General HRA	11,910	3,511	(8,399)	7,940	5,519	(2,421)
Electrical Works & Laterals	6,078	4,957	(1,121)	4,052	2,987	(1,065)
External Repairs & Decorations	12,378	8,245	(4,133)	8,252	2,563	(5,689)
Adaptations	1,097	1,197	100	731	453	(278)
Fire Precautions	6,036	5,647	(389)	4,024	531	(3,493)
Lifts	4,191	2,698	(1,493)	2,794	2,288	(506)
Voids	3,208	3,500	292	2,139	1,767	(372)
Kitchen & Bathroom	851	930	79	567	745	178
<b>Total Major Works</b>	<b>45,749</b>	<b>30,685</b>	<b>(15,064)</b>	<b>30,499</b>	<b>16,853</b>	<b>(13,647)</b>
<b>Regeneration</b>						
Church Street	7,167	695	(6,472)	4,778	562	(4,216)
Lisson Arches	6,952	2,593	(4,359)	4,635	742	(3,893)
Luton St	5,137	219	(4,919)	3,425	99	(3,326)
Parsons North	6,746	593	(6,152)	4,497	290	(4,207)
Cosway	9,800	589	(9,211)	6,533	220	(6,314)
Ashbridge	3,602	475	(3,127)	2,401	227	(2,174)
Edgware Road/AlmaCantar	69	2,003	1,933	46	1,948	1,901
Combined Heating Programme	5,005	726	(4,279)	3,337	152	(3,185)
Ashmill	-	70	70	-	-	-
Decants	-	-	-	-	23	23
<b>Sub total - Church Street</b>	<b>44,479</b>	<b>7,964</b>	<b>(36,515)</b>	<b>29,653</b>	<b>4,261</b>	<b>(25,391)</b>
Ebury Bridge	16,725	10,925	(5,800)	11,150	6,394	(4,756)
Tollgate Gardens	7,053	7,249	196	4,702	6,918	2,216
<b>Total Housing Regeneration</b>	<b>68,258</b>	<b>26,138</b>	<b>(42,120)</b>	<b>45,505</b>	<b>17,573</b>	<b>(27,932)</b>
<b>Other Projects</b>						
Self Financing	18,428	20,000	1,572	12,285	11,774	(511)
Infill	4,581	3,651	(929)	3,054	942	(2,112)
Contingency	4,086	-	(4,086)	2,724	-	(2,724)
Kemp House/Berwick St	732	10	(722)	488	8	(480)
<b>Total Other Projects</b>	<b>27,826</b>	<b>23,661</b>	<b>(4,165)</b>	<b>18,551</b>	<b>12,725</b>	<b>(5,826)</b>
<b>Total Capital Expenditure</b>	<b>141,833</b>	<b>80,484</b>	<b>(61,349)</b>	<b>94,555</b>	<b>47,150</b>	<b>(47,405)</b>

Financed By:	Full Year			Year to Date		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Actuals £'000	Variance £'000
MRR	23,308	23,332	24	15,539	16,853	1,314
New Borrowing	12,835	-	(12,835)	8,557	-	(8,557)
Capital Grant - AHF	19,359	10,255	(9,104)	12,906	668	(12,238)
Capital Receipts - Land & Market sales	11,487	20,000	8,513	7,658	11,774	4,116
Government Grant / Home Bonus	-	3,785	3,785	-	-	-
Capital Receipts - non RTB	21,187	(1,029)	(22,216)	14,125	2,099	(12,025)
Capital Receipts - RTB Local Agreement	17,476	10,618	(6,858)	11,651	2,644	(9,007)
HRA Reserves	36,181	13,523	(22,658)	24,121	13,112	(11,008)
<b>Total Financing</b>	<b>141,833</b>	<b>80,484</b>	<b>(61,349)</b>	<b>94,555</b>	<b>47,150</b>	<b>(47,405)</b>