

DECISION-MAKER:	COUNCIL		
SUBJECT:	GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2017/18		
DATE OF DECISION:	18 JULY 2018		
REPORT OF:	CABINET MEMBER FOR FINANCE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

BRIEF SUMMARY

The purpose of this report is to outline the General Fund and Housing Revenue Account (HRA) capital outturn position for 2017/18, highlighting major variances. There was an overall underspend on the General Fund and HRA capital programme of £31.13M (33.28%), £24.97M relating to slippage and £6.16M of underspends. The report also sets out the revised estimates for 2018/19 which take account of slippage and re-phasing mentioned previously.

RECOMMENDATIONS:

	(i)	Notes the actual capital spending in 2017/18 as shown in paragraphs 3 to 5 and notes the major variances detailed in paragraphs 9 to 89 and Appendix 1.
	(ii)	Notes the revised estimates for 2018/19, adjusted for slippage and re-phasing and additions contained within this report, as shown in Appendix 2.
	(iii)	Notes the proposed capital financing in 2017/18 as shown in paragraph 6.
	(iv)	Notes that the capital programme remains fully funded up to 2021/22 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received.
	(v)	Approve the addition and spend of £0.07M in 2018/19 to the Communities, Culture & Leisure programme; to be funded from grants. As detailed in paragraph 96.
	(vi)	Approve the addition and spend of £0.80M in 2018/19 to the Education & Children's Social Care programme; to be funded from government grant. As detailed in paragraph 97.

(vii)	Approve the addition and spend of £0.05M, £0.04M in 2017/18 and £0.01M in 2018/19 to the Environment & Transport – City Services programme; to be funded from S106 contributions. As detailed in paragraphs 98 and 99.
(viii)	Approve the addition and spend of £0.44M in 2018/19 to the Finance programme; to be funded from council resources. As detailed in paragraph 100.
(ix)	Approve the addition and spend of £0.20M in 2018/19 to the Leaders programme; to be funded from capital receipts. As detailed in paragraph 101.
(x)	Approve the addition and spend of £1.87M in 2018/19 to the Transport programme; to be funded £1.73M from government grants and £0.14M council resources. As detailed in paragraphs 102 and 103.
(xi)	Approve the addition and spend of £4.50M in 2018/19 to the HRA programme; to be funded from MRA and council resources. As detailed in paragraphs 104 and 105 and appendix 2.
(xii)	Notes the addition of £0.24M to the programme since the last reported position in February 18, under delegated powers. As detailed in paragraph 109 and Appendix 3.
(xiii)	Approve the revised General Fund Capital Programme, which totals £196.46M (as detailed in paragraph 107) and the associated use of resources (as detailed in paragraph 110).
(xiv)	Approve the revised HRA Capital Programme, which totals £216.89M (as detailed in paragraph 114) and the associated use of resources (as detailed in paragraph 117).

REASONS FOR REPORT RECOMMENDATIONS

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| 1. | The reporting of the outturn position for 2017/18 forms part of the approval of the statutory accounts. Approval is also sought of the adjusted future years programme, following outturn, as well as for new additions and other changes to the programme. |
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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| 2. | None as the outturn and financing for 2017/18 have been prepared in accordance with statutory accounting principles. |
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DETAIL (Including consultation carried out)

CAPITAL OUTTURN 2017/18

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| 3. | The total General Fund capital expenditure in 2017/18 was £30.43M compared to an estimate of £48.63M, giving a variance of £18.20M or 37.43% of the programme. The variance is comprised £16.54M of slippage and £1.66M of underspends. Further detail is given from paragraph 9 |
| 4. | The total HRA capital expenditure in 2017/18 was £31.99M compared to an estimate of £44.92M, giving a variance of £12.93M or 28.78% of the programme. The variance is comprised £8.43M of slippage and £4.50M of underspends. Further detail is given from paragraph 72. |

The performance of individual capital programmes in 2017/18 is summarised in table 1 below.

5. Table 1 – Summary of the General Fund & HRA Capital Outturn 2017/18

Portfolio	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Communities, Culture & Leisure	0.61	0.21	(0.40)	65.57
Education & Childrens Social Care	12.18	7.16	(5.02)	41.22
Environment & Transport - City Services	2.51	1.29	(1.22)	48.61
Finance	2.43	0.22	(2.21)	90.95
Housing & Adult Care	2.21	0.29	(1.92)	86.88
Health & Community Safety	0.18	0.13	(0.05)	27.78
Leaders	6.80	5.11	(1.69)	24.85
Sustainable Living	3.14	1.51	(1.63)	51.91
Transport	18.57	14.51	(4.06)	21.86
Total GF Capital Programme	48.63	30.43	(18.20)	37.43
Total HRA Capital Programme	44.92	31.99	(12.93)	28.78
Total Capital Programme	93.55	62.42	(31.13)	33.28
Financed by:				
Council Resources	48.58	5.22	(24.09)	49.59
Major Repairs Allowance		19.26		
Capital Receipts	7.55	5.89	(1.66)	21.99
Contributions	5.43	3.22	(2.21)	40.7
Capital Grants	18.70	17.03	(1.67)	8.93
Revenue Funding	13.29	11.79	(1.50)	11.29
Total Financing	93.55	62.42	(31.13)	33.28

6. Table 2 below shows the split of financing of the General Fund and HRA capital programmes.

<u>Table 2 – Capital Financing 2017/18</u>					
		General Fund	HRA		
		£M	£M		
	Total Financing Required	30.43	31.99		
	Financed By: -				
	Council Resources	4.41	20.07		
	Capital Grants	16.47	0.56		
	Capital Contributions	2.84	0.38		
	Capital Receipts	2.55	3.34		
	Revenue Funding	4.16	7.64		
	Total	30.43	31.99		
7.	Table 3 below summarises the capital expenditure for the General Fund by Outcome.				
<u>Table 3 – General Fund Capital 2017/18 Outturn By Outcome</u>					
Outcome	Latest Programme	Actual	Variance		
	£M	£M	£M	%	
Southampton is a modern, attractive city where people are proud to live and work	17.13	15.06	(2.08)	12.14	
Children in Southampton have a good start in life	13.47	8.16	(5.31)	39.42	
People in Southampton live safe, healthy independent lives	6.30	1.90	(4.40)	69.84	
Southampton is a city with strong, sustainable economic growth	9.22	5.08	(4.14)	44.9	
A modern sustainable council	2.51	0.24	(2.27)	90.44	
TOTAL	48.63	30.43	(18.20)	37.43	
8.	A summary of capital expenditure for the HRA is shown in the Table 4 below.				

<u>Table 4 – HRA Capital Outturn By Section</u>				
Section	Latest Programme	Actual	Variance	
	£M	£M	£M	%
Safe Wind and Weather Tight	19.68	16.25	(3.43)	17.43
Modern Facilities	4.52	4.01	(0.51)	11.28
Well Maintained Communal Facilities	4.67	2.59	(2.08)	44.54
Warm & Energy Efficient	10.54	3.52	(7.02)	66.6
Estate Regeneration & New Build	5.51	5.62	0.11	2.00
TOTAL	44.92	31.99	(12.93)	28.78
OUTTURN VARIANCE ANALYSIS				
9.	Appendix 1 shows the 2017/18 latest approved estimate compared to the actual spend.			
10.	Slippage accounted for £26.00M of the variance offset by bringing £1.03M of expenditure forward. The remaining £6.16M being true under spends. Table 5 below shows the breakdown by portfolio and Appendix 1 provides a more detailed breakdown of the variance by scheme.			
11.	<u>Table 5 – 2017/18 Variance By Portfolio</u>			

	Portfolio	Slippage/ (Rephasing) £M	(Under)/ Over Spend £M	Variance £M
	Communities, Culture & Leisure	(0.40)	0.00	(0.40)
	Education & Childrens Social Care	(3.90)	(1.12)	(5.02)
	E&T - City Services	(1.17)	(0.05)	(1.22)
	Finance	(2.21)	0.00	(2.21)
	Housing & Adult Care	(1.41)	(0.51)	(1.92)
	Health & Community Safety	(0.05)	0.00	(0.05)
	Leaders	(2.61)	0.92	(1.69)
	Sustainable Living	(1.49)	(0.14)	(1.63)
	Transport	(3.30)	(0.76)	(4.06)
	GF Total	(16.54)	(1.66)	(18.20)
	HRA Total	(8.43)	(4.50)	(12.93)
	Programme Total	(24.97)	(6.16)	(31.13)
12.	Reasons for major variances on individual schemes are given for each Portfolio below.			
	COMMUNITIES, CULTURE & LEISURE			
13.	<u>Woodmill Outdoor Activity Centre (Slippage of £0.19M from 2017/18 to 2018/19)</u> <p>This is a capital scheme to enhance the tidal wall on the site of the activity centre. The project was grouped with other works during the procurement process to secure more favourable terms. A contractor has been appointed however the other projects included in the procurement exercise have been prioritised, based on urgency, and the start date for this project is now May 2018.</p>			
14.	<u>God's House Tower (Slippage of £0.13M from 2017/18 to 2018/19)</u> <p>A substantial renovation project is being undertaken on God's House Tower. The Council is making a modest financial contribution to aSpace to provide partial match funding for a £0.20M grant from the HLF (Heritage Lottery Fund). It should be noted that aSpace have raised £2.5M to take the project forward. This contribution will now be made in 2018/19.</p>			
15.	<u>S106 Playing Field Improvements (Slippage of £0.07M from 2017/18 to 2018/19)</u>			

	Potential options to progress the scheme are under consideration but no expenditure has been incurred in year. Budget has been slipped into 2018/19 to fund future works.
16.	<p><u>Outdoor Sports Centre (Rephase of £0.07M from 2018/19 to 2017/18)</u></p> <p>Expenditure on professional services has been incurred during the year partly funded by a grant from Sport England. The remaining costs have been funded by the authority which requires a rephase of some the scheme budget into 2017/18.</p>
17.	<p><u>Woolston Library (Slippage of £0.06M from 2017/18 in 2018/19)</u></p> <p>The residual budget is expected to be utilised in 2018/19 to fund remaining retention works by March 2019.</p>
EDUCATION & CHILDRENS SOCIAL CARE	
18.	<p><u>Springwell School - Main Expansion (Slippage of £1.75M from 2017/18 to 2018/19)</u></p> <p>Phase 1 works are now completed and Phase 2 has been through planning, with the tender process now complete, the contract is in the process of being awarded. Originally completion was expected in September 2018. As the scheme has slipped, to allow the completion of the tender process, arrangements were put in place to accommodate children in outreach classes (at Sholing Sure Start and the Harefield Hoppers facility) for the coming school year. This was accommodated as part of Phase 1. There are no implications on pupil places. The project is expected to be within budget and delivered by September 2019.</p>
19.	<p><u>Primary Review - Fairisle Junior (Slippage of £0.70M from 2017/18 to 2018/19)</u></p> <p>The original scheme was for a 4 classroom extension with a budget allocated in the region of £1.2m. The specification for this project is under review due to a reduction in anticipated pupil numbers. It is likely that a smaller scheme for a 2 classroom extension will be required, and will be reported via Council Capital Board. The project will still be delivered on time by September 2019.</p>
20.	<p><u>Regents Park (Slippage of £0.75M from 2017/18 to 2018/19)</u></p> <p>The scheme is for remodelling of internal spaces and modernisation and improvement of school facilities. Further work has been required at the technical design stage. Staged completion is still on track for September 2019 and September 2020.</p>
21.	<p><u>Sholing Technical College Renovation (Slippage of £0.40M from 2017/18 to 2018/19)</u></p> <p>Final details regarding the brief and strategy for this scheme are still being compiled following the announcement that the school is transferring to Oasis Academy Trust. In addition to the £2.472M funding, the DfE have agreed a further £2.5M funding for improvements. Therefore a review is being undertaken, by Oasis Academy Trust, to pool the funding so a single scheme</p>

	is commissioned. The project will be delivered after conversion to academy on September 1 st 2018.
22.	<p><u>Early Years Expansion Programme (Slippage of £0.19M from 2017/18 to 2018/19)</u></p> <p>The tendering process was delayed whilst clarification of design work was obtained to meet the specification of the scheme resulting in slippage to 2018/19.</p>
23.	<p><u>Bitterne Park Secondary Building Programme (Slippage of £0.19M from 2017/18 to 2018/19)</u></p> <p>Education Skills Funding Agency provided funding for improvements including works to resolve drainage issues around standing ground water to run off onto the school playing fields. The works have been completed below budget and a programme of works to provide fencing works around the school is being drawn up to be completed in 2018/19, to utilise this ring fenced funding.</p>
24.	<p><u>Portswood Primary Expansion (Slippage of £0.15M from 2017/18 to 2018/19)</u></p> <p>The slippage is in respect of a final retainer to the contractor expected to be paid in 2018/19 once the final account has been agreed.</p>
25.	<p><u>Lordshill Academy (Slippage of £0.12M from 2017/18 to 2018/19)</u></p> <p>Oasis Lordshill are now responsible for the building and are undertaking work to remedy defects in the works following the main contractor going into receivership. The slippage on the project is to make a contribution to the costs or remedial works to be met from within the overall project costs.</p>
26.	<p><u>R&M Programme (Rephasing of £0.35M from 2018/19 to 2017/18)</u></p> <p>In order to avoid disruption to schools during term time, a number of planned projects were due to be delivered within the 2018-19 summer holiday period. Some of these planned projects were completed ahead of schedule.</p>
27.	<p><u>Building for Excellence (Underspend of £1.00M)</u></p> <p>SCC Secondary Schools Programme of Immediate Works was agreed on 21/9/17 and forecast expenditure now established and this is a declared underspend and will be used to fund the major secondary expansion project.</p>
28.	<p><u>Primary Review P2 Fairisle Junior (Underspend of £0.46M)</u></p> <p>The saving on this scheme is due to a change in the specification requirements as the number of pupils anticipated was less than expected which will result in a reduction to the programme of works and associated reduction in cost. As the number of pupils changed so did the need for additional budget.</p>
29.	<p><u>Schools Devolved Capital (Overspend of £0.55M)</u></p> <p>The schools capital work programme is undertaken throughout the year and funded through devolved capital funding. As the capital is fully funded by a</p>

	<p>specific ring fenced grant. The capital spend is not included in forecasts during the year but is added to the capital financing outturn statement.</p> <p>Schools decide on the allocation of this grant and can decide to carry forward any underspend or timing of spend to complete school schemes.</p>
30.	<p><u>Primary Review Phase 2 (Underspend of £0.14M)</u></p> <p>There are small underspends against projects for Shirley Warren Primary School, Tanners Brook and Sholing Junior Schools. The projects are now completed and remaining funding is not required.</p>
31.	<p><u>Radstock Road-Loft Conversion Safeguarding (Underspend of £0.04M)</u></p> <p>As a result of changes in the number of children</p>
32.	<p><u>Secondary School Capital Maintenance – (Underspend of £0.03M)</u></p> <p>Retention is no longer due on a scheme for Chamberlayne Secondary School. This project was part of a larger overall project of £4M, and when the project was finalised there were uncertainties regarding small works that were carried out and retention of payment was required. This is no longer required, as agreement has been reached with the school.</p>
	<p>ENVIRONMENT & TRANSPORT - CITY SERVICES</p>
33.	<p><u>City Pride - Improvements to Queens Park (Slippage of £0.11M from 2017/18 to 2018/19)</u></p> <p>Project relates to improvements to lighting within the park. SSE have been commissioned to undertake the works on Southampton's behalf, but cannot commit to a timescale at present and will do the work when it fits in with their own schedules. The procurement team are working with SSE to agree when the works will take place.</p>
34.	<p><u>Shoreburs Greenway Footpath (Slippage of £0.17M from 2017/18 to 2018/19)</u></p> <p>Project was due to start in July, but as a result of delays to The Common play area project, commencement was delayed. This has resulted in slippage into 2018/19.</p>
35.	<p><u>Alternative Weekly Collection (AWC) Implementation Works (Slippage of £0.12M from 2017/18 to 2018/19)</u></p> <p>The AWC implementation plan included a capital budget for the purchase of a reactive vehicle, to support collections and manage fly tip/side waste. The vehicle has been ordered and is currently awaiting delivery.</p>
36.	<p><u>Tree Surgery Mobile Elevated Working Platform (MEWP), and Wild Flower Mower (Slippage of £0.10M from 2017/18 to 2018/19)</u></p> <p>MEWP and Wild Flower mower were approved in Summer 2017. Soft market testing is underway with a view to placing the orders in 2018/19.</p>
37.	<p><u>Blechynden Terrace Park (Slippage of £0.19M from 2017/18 to 2018/19)</u></p> <p>The project was tendered in June 2017, with no bids received. The procurement was retendered in Autumn which has resulted in a preferred</p>

	bidder and signoff is expected July 2018. This means that the project will slip into 2018/19.
38.	<p><u>Other minor parks developments (Slippage of £0.26M from 2017/18 to 2018/19)</u></p> <p>There are a number of minor parks development projects that have either not yet commenced, or are in progress. Timescales can be affected by securing of funding from external bodies prior to commencement of works in some cases, and resourcing issues to be resolved through phase 3 restructuring and the introduction of the minor works team. These projects therefore require slippage into 2018/19.</p>
39.	<p><u>Play Area improvements (Slippage of £0.23M from 2017/18 to 2018/19)</u></p> <p>There are a number of play area improvement projects that have either not yet commenced, or are in progress. Timescales have been affected by resourcing issues to be resolved through phase 3 restructuring and the introduction of the minor works team. These projects therefore require slippage into 2018/19.</p>
40.	<p><u>Central Depot (£0.04M Underspend)</u></p> <p>The project has now been completed with a small underspend arising from unused contingency in the budget.</p>
	FINANCE
41.	<p><u>Desktop Refresh Programme (Slippage of £0.18M from 2017/18 to 2018/19)</u></p> <p>Current year spend has been on hold pending completion of the desktop estate and volumes review which could impact the phasing and cost of the refresh programme. The refresh programme will recommence once future plans for the desktop estate are agreed, to include the management of any future pressure from potential price increases.</p>
42.	<p><u>Digital Investment Phase 2 (Slippage of £2.15M from 2017/18 to 2018/19)</u></p> <p>Having delivered the first wave of digital transformation the council is now looking to reprioritise its capital investment on broader organisational wide initiatives with a focus on deeper integration of systems and applications that will significantly increase efficiency, e.g. further investment in an holistic ERP solution, a refocus of customer relationship platforms and applications and a rationalisation of infrastructure, data storage and software applications. Slippage has occurred pending completion of the reprioritisation and planning process.</p>
	HOUSING & ADULT CARE
43.	<p><u>Integrated Working (Slippage of £0.28M from 2017/18 to 2018/19 and £0.10M underspend in 2017/18)</u></p> <p>This project was delayed due to reviewing the future requirements of delivering the system. Therefore the staffing costs will slip to 2018/19.</p> <p>The Integration budget included the implementation of Personal Demographics Service (PDS) and was quoted at £0.10M. At the time the</p>

	PDS investment was agreed the council had not taken the decision to procure a new client case management (CCM) system. It therefore made business sense to integrate the PDS work as part of the CCM project not Paris 6.1.
44.	<p><u>Support for Estate Regeneration (Slippage of £0.93M from 2017/18 to 2018/19)</u></p> <p>This project is funded through S106 agreement and is part of a scheme for new properties to be leased to/from a third party provider at Townhill Park (THP). Further consultation is required as part of the wider THP scheme and is dependent on the bigger scheme and therefore the project needs slipping to 2018/19.</p>
45.	<p><u>Telecare Equipment - £0.40M underspend</u></p> <p>The capital provision for the purchase of telecare equipment has been reduced in 2017/18, as fewer than expected new devices were required due to using existing stock and a lower than forecast number of installations. There is sufficient budget in 2018/19 to cover demand.</p>
	HEALTH & COMMUNITY SAFETY
46.	<p><u>CCTV Cameras (Slippage of £0.01M from 2017/18 to 2018/19)</u></p> <p>Some of the planned works have been delayed, partly due to the weather. Works will continue into 2018/19 on the approved schemes funded by specific S106 funding.</p>
47.	<p><u>S106 Centenary Quay (Slippage of £0.04M from 2017/18 to 2018/19)</u></p> <p>This project relates to Centenary Quay S106 Funding for Health Practice Facility Improvements in the Woolston Area. Works to update NHS properties is controlled externally by individual practices and costs are reimbursed once projects are completed. The works are to continue into 2018/19.</p>
	LEADERS
48.	<p><u>Hampshire Community Bank (Slippage of £1.00M from 2017/18 to 2018/19)</u></p> <p>This project is being considered as part of the annual year end review of the capital programme, so at this present time it has been slipped into 2018/19.</p>
49.	<p><u>Bitterne Public Services Hub (Slippage of £0.24M from 2017/18 to 2018/19)</u></p> <p>This scheme is one of the Council's Executive Commitments to establish a new Public Sector Community Hub incorporating a Leisure Facility, Library and a Public Service Access point. This project will continue into 2018/19 on to the next stage requiring an Outline Business Case for the development to be produced and the remaining 2017/18 budget to be slipped into 2018/19.</p>
50.	<p><u>Enterprise Centre (Slippage of £1.26M from 2017/18 to 2018/19)</u></p> <p>This scheme is progressing forward with the contract to lease being signed in early April 2018. Planning permission for change of use has been approved</p>

	with fit out works to take place in 2018/19 requiring the remaining 17/18 budget to be slipped into 2018/19.
51.	<p><u>Northern Above Bar, Guildhall Square (£0.20M Underspend)</u></p> <p>Provision for property enhancements no longer required. No further spend expected so an underspend has been declared on this project in 2017/18</p>
52.	<p><u>Station Quarter Southside (£0.10M Underspend)</u></p> <p>This project has not yet commenced and has been reviewed. The review proposes that this project is not progressed in isolation but should be incorporated into future plans as part of the Central Business District. Therefore an underspend has been declared in 2017/18.</p>
53.	<p><u>Southampton New Arts Centre – Developer Payments (£0.10M Underspend)</u></p> <p>Agreement has been reached with the developer where by the final lease premium payment of £0.10M is now not required and the remaining funding has been declared as an underspend.</p>
54.	<p><u>Southampton New Arts Centre (Studio 144) (£1.44M Overspend)</u></p> <p>The tenants formally took occupation of the North building on the 24th November 2017 and the South Building on the 23rd March 2018.</p> <p>The overspend to the scheme has been driven by the recent award by the Contract Administrator in regard to Extension of Time claims submitted by the Fit-out Contractor. The award for the South Building is primarily referencing the substantial flooding of the South Building and the consequences of the building contractor being on site at the same time as the fit-out contractor. The award for the North Building is primarily referencing the issues with the design of the Primary Containment and the subsequent impacts to the fit-out contractor. Further claims have been raised regarding the installation of Lifts during the project and the Council are awaiting the particulars to be issued to the Contract Administrator for assessment. The final account and all claims were received by the Council in May 2018. These are currently being assessed by the Contract Administrator and the Council's Quantity Surveyor. Once this process is complete the amount of additional funding required to complete the scheme will be known. In June 2018 the Council received a grant payment from Arts Council England for the project which will be used to part fund any remaining expenditure in 2018/19.</p> <p>In November 2016, the Chancellor announced an additional £1.6M in government grant funding for the scheme, as part of the Autumn Statement. This has been used to fund expenditure in 2017/18 along with an insurance rebate of £0.03M. The residual overspend in 2017/18 is to be funded from Council Resources.</p>
	SUSTAINABLE LIVING
55.	<p><u>Disabled Facilities Grants (Slippage of £1.14M from 2017/18 to 2018/19 and 2019/20)</u></p>

	<p>Although grants are approved within the first year of funding, the timescale for each individual case varies and the completion of work can take up to 3 years. As payment is not made until after work is completed, the Disabled Facilities Grant can take up to three years to be spent and the profile of slippage reflects this time lag. This process will be reviewed in 2018/19.</p>
56.	<p><u>Green Projects (Slippage of £0.22M from 2017/18 to 2018/19, 2019/20 and 2020/21)</u></p> <p>These funds have been earmarked to support the Southampton Healthy Homes Project over the next three years. Additional national funding has been secured to support this work.</p>
57.	<p><u>Insulation and Fuel Poverty Initiatives (Slippage of £0.06M from 2017/18 to 2018/19)</u></p> <p>Funding of work carried out by the Environment Centre for fuel poverty works. Because the Environment Centre lead on the works, and spend is demand led, slippage is outside of our control. These funds will be required to support works through 2018/19.</p>
58.	<p><u>Salix schemes (Slippage of £0.04M from 2017/18 to 2018/19)</u></p> <p>Of the three Salix schemes on the programme, two have been discontinued (IT server room and Insulation Works). The funds for these are to be used to fund the Civic Centre Lighting upgrade work which will continue into 2018/19.</p>
59.	<p><u>Priory Road Property Level Protection Scheme (Under spend of £0.06M)</u></p> <p>This project is nearing completion with the works not costing as much as originally expected. This is partially because the actual number of properties falling under the scheme was 6 properties less than estimated, and partially due to economies of scale in cost of works compared to original quotations. There is a small slippage into next year (<£0.01M) for the final surveys to be completed which will be funded by a final grant claim to be submitted to The Environment Agency.</p>
60.	<p><u>Disabled Facilities Grants Approved in 2015/16 (Under spend of £0.02M)</u></p> <p>There are no more expected payments from this tranche of grant applications.</p>
61.	<p><u>Home Improvement Loans/Disabled Facilities Grant Repayments (Underspend of £0.05M)</u></p> <p>This budget represents the residual balance of Home Improvement Loans repaid to the Council. No capital expenditure has been identified against this repayment in 2017/18.</p>
	<p>TRANSPORT</p>
62.	<p><u>Highways (Underspend of £0.76M in 2017/18)</u></p> <p>The underspend is a result of projects being completed by the Highways partner below the agreed target price. This has mainly occurred in the roads scheme due to allowances and contingent costs included in the target price</p>

	<p>being lower than expended or not materialising. The reasons for this can vary from scheme to scheme but key differences have resulted from:</p> <ul style="list-style-type: none"> • allowances for widespread poor ground conditions, based on core samples, where in reality the depth of road reconstruction didn't need to be so extensive, • allowances for the costly disposal of a historically used contaminated material but the extent of usage was less than expected, • and allowances for inclement weather and a high water table which was better than expected.
63.	<p><u>Bridges (Slippage of £0.29M from 2017/18 to 2018/19)</u></p> <p>There is a slippage of £0.25M for Bridge Maintenance projects primarily on the Redbridge and Millbrook Flyovers of £0.15M. The main bulk of works are in place but testing is continuing so the budget needs to be slipped to fund works in 2018/19.</p> <p>The remaining bridge maintenance slippage of £0.10M is on the Northam River Bridge Containment project due to the delay in tendering for the works. The contract has recently been awarded and the works are to commence in June 2018.</p> <p>There is also a £0.04M slippage on the B2P Bridge Scheme as a previously anticipated retention payment is no longer required to be made. This funding will be utilised on currently unfunded but necessary bridge works in 2018/19.</p>
64.	<p><u>Car Parking (Slippage of £0.11M from 2017/18 to 2018/19)</u></p> <p>There is a slippage of £0.06M on emergency repairs to Council Car Parks. Due to the unpredictable nature of emergency repairs in terms of the timing and scope required it is necessary to have the full budget scheme budget on hand to fund works as they arise. The budget was not fully utilised in 2017/18 so the remaining balance needs to be slipped into 2018/19.</p> <p>There is a slippage of £0.05M on the project to automate access barriers to four car parks as this project required input from a number of different services to ensure successful implementation. The procurement of this work is underway and is due to commence once a contractor has been appointed. It is anticipated the budget will be fully utilised in 2018/19.</p>
65.	<p><u>Integrated Transport (Slippage of £0.71M from 2017/18 to 2018/19)</u></p> <p>The slippage is made up of £0.36M on congestion reduction schemes, £0.18M on cycling schemes and £0.17M on Accessibility schemes.</p> <p>The congestion reduction slippage comes primarily from the Hospital Access Improvement project on Coxford Road being delayed due to the presence on major utilities on the road that require preliminary works. These will be completed in 2018/19 and then the project will commence.</p> <p>The cycling schemes slippages have primarily been caused by the programme being altered to take account of the Millbrook roundabout project where many routes are required as diversion routes. Works will proceed later in 2018/19.</p> <p>The accessibility scheme slippage is to be used as match funding for the A3024 Bursledon Road project in 18/19 and to complete works in Oxford</p>

	Street which has been delayed by a longer than anticipated procurement process of necessary materials.
66.	<p><u>Highways (Slippage of £1.56M from 2017/18 to 2018/19)</u></p> <p>The slippage is made up of a number projects but the majority relates to funding for unclassified road schemes, highway improvements and the Millbrook roundabout scheme.</p>
67.	<p><u>Anti-terrorist measures (Slippage of £0.74M from 2017/18 to 2018/19)</u></p> <p>The scope of the scheme was increased in 2017/18 to include the installation of bollards at Guildhall Square. The construction has yet to start as the design and planning of the measures has taken longer than initially anticipated. Construction is due to start and is expected to be completed in 2018/19. The current temporary measures will remain in place until they are replaced with permanent structures that are more aesthetically pleasing.</p>
68.	<p><u>Highways Improvements (Slippage of £0.28M from 2017/18 to 2018/19)</u></p> <p>There is slippage of £0.28M on Highways Improvements developer contribution funded projects. This is due to the ongoing detailed design work for site specific agreements and negotiating with the Council's partner on better construction costs. This has delayed the completion of 2017/18 works until 2018/19.</p>
69.	<p><u>Millbrook Roundabout (Slippage of £0.25M from 2017/18 to 2018/19)</u></p> <p>There is slippage of £0.25M on the Millbrook Roundabout project. Design of the scheme has commenced but construction has been delayed until September 2018 to avoid congestion in the city while other major works are taking place.</p>
70.	<p><u>Other Highways (Slippage of £0.28M from 2017/18 to 2018/19)</u></p> <p>Various other Highways scheme slippages due to projects not being completed in year. There is £0.04M slippage on the Footways project due to not all footway works being carried out as originally planned within allotted timeframes.</p> <p>There is slippage of £0.11M on the Cycleways Improvements Programme project due to delays in the commencement of design works on the Southampton Cycle Network 2 & 11. Construction works have now been moved into 2018/19.</p> <p>There is a small slippage of £0.07M on the Highways Drainage Investigations project due to unforeseen bad weather conditions during the year.</p> <p>There is an additional small slippage on street lights rolling programme of £0.06M.</p>
71.	<p><u>Other Environment (Slippage of £0.66M from 2017/18 in 2018/19)</u></p> <p>The slippage is to fund the purchase of new a refuse vehicle and other vans which are currently in the process of being procured as part of the vehicle replacement programme.</p>

	HRA
72.	<p>In partnership with Hampshire Fire and Rescue Service, additional Fire Safety works have been agreed to ensure all council owned tower blocks over 30 metres are fitted with sprinklers, alongside other fire safety works including the upgrading and replacement of communal fire doors, flat front doors and fire stopping. As a result, a number of schemes within the approved capital programme have been reviewed and the programme of works reduced to enable funding to be reprioritised ensuring that the resources are available to enable these works to be delivered. The schemes are listed below:</p> <ul style="list-style-type: none"> • Insulation Works - City Wide (Underspend of £0.07M) – reduction in programme of works. • Renew Warden Alarm (Underspend of £0.08M) – reduction in programme of works. • External Windows and Doors (Underspend of £0.90M) – work is demand and weather dependant. Programme of works re prioritised. • Estate Improvement Programme (EIP) (Underspend of £0.03M) – reduction in programme of works. • Roofing (Underspend of £3.26M) – Delivery of required works reviewed. New contractor to undertake works on a city wide basis allowing review of programme of works. • Erskine Court Rebuild (Underspend of £0.17M) – works completed under budget.
73.	<p><u>Decent Neighbourhoods - Shirley (Slippage of £0.06M from 2017/18 to 2018/19)</u></p> <p>Due to weather delays, sites have not been cleared enough to progress the final stages of the project as multiple contractors are still working in the area.</p>
74.	<p><u>ECO (Slippage of £6.93M from 2017/18 to 2018/19)</u></p> <p>ECO Project has been delayed as British Gas have withdrawn from contract. Awaiting revaluation of options for this project.</p>
75.	<p><u>External Wall Insulation - Kingsland Estate (Slippage of £0.13M from 2017/18 to 2018/19)</u></p> <p>Remedial works are expected relating to the fitting of windows and wall insulation at International Way. Budget has been slipped to meet these costs.</p>
76.	<p><u>Door Entry Systems (Slippage of £0.01M from 2017/18 to 2018/19)</u></p> <p>Increase in work programme for Door Installation anticipated for Thruxton Court in 2018/19. Additionally, as the programme is reactive and demand led the budget has been slipped to meet the demand for future works that are expected.</p>
77.	<p><u>Estate Regeneration Woodside/Wimpson (Slippage of £0.02M from 2017/18 to 2018/19)</u></p>

	The original assumption was that main works on site would commence in February 2018. However, as the contract for works was not signed until December 2017 the programme of works has slipped into 2018/19.
78.	<p><u>Estate Regeneration City Wide Framework (Slippage of £0.08M from 2017/18 to 2018/19)</u></p> <p>The programme of works for Modular Housing is matched funded by the Solent Local Enterprise Partnership. This funding has been re profiled to 2018/19 to allow resources to be prioritised on projects that have started. As a result the programme of works has slipped into 2018/19.</p>
79.	<p><u>Roads/Paths/Hard Standing (Slippage of £0.01M from 2017/18 to 2018/19)</u></p> <p>Slippage due to delays arising from an ongoing discussions with the supplier over additional costs to provide design and cost information which should be part of the agreed retainer.</p>
80.	<p><u>Decent Neighbourhoods - Cuckmere Lane (Slippage of £0.43M from 2017/18 to 2018/19)</u></p> <p>Ongoing drainage issues and a change in design of road construction due to inadequate sub base have led to work being delayed until 2018/19.</p>
81.	<p><u>Decent Neighbourhoods - Thornhill (Slippage of £1.20M from 2017/18 to 2018/19)</u></p> <p>This project is linked to the ECO project. Work will start on this project once the revaluation of options for the ECO Project has been evaluated.</p>
82.	<p><u>Townhill Park Regeneration (Re-phase of £0.44M from 2018/19 to 2017/18)</u></p> <p>Building work started on Plot 1 sooner than anticipated. This made it necessary to bring forward funds into 2017/18.</p>
83.	The revised estimates for 2018/19, adjusted for slippage and re-phasing and changes to programme are shown in Appendix 3.
84.	Any over spends on individual schemes are financed from identified additional funding or from savings elsewhere in the programme. Portfolios are required to balance their capital programmes within the resources available to them and this may result in reduced outputs where an over spend results in reductions being made elsewhere in the programme.
85.	The impact of scheme variances for 2017/18 on future years' capital expenditure will be reported to Council Capital Board and will feed into future capital programme updates aligned to Council Priorities and Outcomes.
	PRUDENTIAL INDICATORS
86.	The Prudential Code requires the Prudential Indicator for Actual Capital Expenditure to be reported against the estimates previously reported. The estimates shown in the following table are those reported to Council as part

of the February 2018 Annual Treasury Management Strategy and Prudential Limits report.

87. Table 6 – Figures for Prudential Indicators

	Actual	Estimates				
	2017/18 £M	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M
General Fund	30.43	48.44	68.78	23.98	23.75	29.48
HRA	31.99	44.92	53.12	41.15	43.69	34.01
TOTAL	62.42	93.36	121.90	65.13	67.44	63.49

88. The reason for the difference between the estimate for 2017/18 in Table 6 above and the estimate shown elsewhere in this report is due to a number of small changes to the programme being approved between the Treasury Management Strategy report being written and approved in February and the end of the financial year in March, these are detailed in paragraph 105 and Appendix 3.

89. Table 7 – Updated Figures for Prudential Indicators

	Actual	Estimates			
	2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M
General Fund	30.43	87.70	25.05	23.80	29.48
HRA	31.99	66.05	41.15	43.69	34.01
TOTAL	62.42	153.75	66.20	67.49	63.49

90. This indicator for 2018/19 to 2021/22 has been updated in Table 7 above, to reflect the changes made within this report. The Treasury Management Outturn 2017/18 report, elsewhere on the Council Agenda, contains details of the other Prudential Indicators.

CAPITAL PROGRAMME FUNDING

91. The current Capital Strategy was approved by Full Council in February 2018. This includes the process for implementing and approving changes to the

	current capital programme and for allocating funding to new schemes linked to the Council's key strategic priorities and outcomes.																												
92.	Funding for the capital programme has previously been heavily reliant on capital receipts from the sale of council properties. These receipts have always had a degree of uncertainty regarding their amount and timing, but the economic climate has increased the Council's risk in this area.																												
93.	Table 8 below shows the previous and current capital receipt assumptions, together with the actual receipts received in year for the General Fund. It should be noted that both the previous and latest forecast positions have been adjusted to remove receipts for properties not yet on the market.																												
94.	<p>Table 8 – General Fund Capital Receipts Estimates</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18 £M</th> <th>2018/19 £M</th> <th>2019/20 £M</th> <th>2020/21 £M</th> <th>2021/22 £M</th> <th>Total £M</th> </tr> </thead> <tbody> <tr> <td>Actual 2017/18 /Latest Forecast</td> <td>3.34</td> <td>15.21</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>18.48</td> </tr> <tr> <td>Previous Forecast</td> <td>17.77</td> <td>0.78</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>18.48</td> </tr> <tr> <td>Variance</td> <td>(14.43)</td> <td>14.43</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>		2017/18 £M	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	Total £M	Actual 2017/18 /Latest Forecast	3.34	15.21	0.00	0.00	0.00	18.48	Previous Forecast	17.77	0.78	0.00	0.00	0.00	18.48	Variance	(14.43)	14.43	0.00	0.00	0.00	0.00
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Variance	(14.43)	14.43	0.00	0.00	0.00	0.00																							
95.	The variance in 2017/18 is due to a number of disposals which have slipped into 2018/19 due to extended negotiations on a number of contracts. The Council Capital Board is receiving monthly reports on the progress of sales of land and property to generate the required capital receipts to fund the programme. The Capital Funding Risk Reserve has been set up to mitigate the risk of reduced capital receipts, that have been identified to support the capital programme.																												
	PROPOSED PROGRAMME CHANGES FOR APPROVAL																												
	<u>Communities, Culture & Leisure Programme</u>																												
96.	<p><u>Outdoor Sports Centre Improvements (Increase £0.07M in 2018/19)</u></p> <p>Following a successful grant bid from the Park Life Programme, approval is sought for the addition of £0.07M to the Communities, Culture & Leisure programme and approval to spend this sum, funded by grants. This will be added to the existing project to fund and develop plans to improve the facilities at the Outdoor Sports Centre.</p>																												
	<u>Education & Children's Social Care Programme</u>																												
97.	<p><u>St Deny's Primary (Increase of £0.80M in 2018/19)</u></p> <p>Approval is sought for the addition of £0.80M to the Education & Children's Social Care programme and approval to spend this sum, funded by government grants. This is the council's contribution towards a larger</p>																												

	Education and Skills Funding Agency (ESFA) Priority Schools Building project to rebuild the school.
	<u>Environment & Transport - City Services Programme</u>
98.	<p><u>The Common Play Area (Increase of £0.04M in 2017/18)</u></p> <p>Approval is sought for the addition of £0.04M to the E&T - City Services programme and approval to spend this sum, funded by S106 contributions. This Play Area has recently been opened after heavy Autumn use there are areas that require further attention before possible heavy use during school Easter holidays. The funding has been approved from S106 developer contributions of £0.04M will enable this play area to cope with the anticipated heavy use, providing a fantastic facility in a safe and attractive modern city.</p>
99.	<p><u>Riverside Park (Increase of £0.01M in 2018/19)</u></p> <p>Approval is sought for the addition of £0.01M to the E&T - City Services programme and approval to spend this sum, funded by external contributions. The Friends of Riverside Park have undertaken fundraising to expand the existing scheme.</p>
	<u>Finance Programme</u>
100.	<p><u>Smarter Ways of Working (Increase of £0.44M in 2018/19)</u></p> <p>Approval is sought for the addition of £0.44M to the Finance programme and approval to spend this sum, funded by council resources.</p> <p>Approval is also sought for the virement of £0.51M from the existing accommodation projects within the finance programme, to allow a coordinated approach to improving working environments for staff and providing the tools to maintain a modern, sustainable council.</p>
	<u>Leaders Programme</u>
101.	<p><u>Enterprise Centre (Increase of £0.20M in 2018/19)</u></p> <p>Approval is sought for the addition of £0.20M to the existing scheme budget of £1.38M within the Leaders Capital Programme and for approval to spend this sum in 2018/19, to be funded from Capital Receipts. The additional funding is required due to an increase in costs following the completion of detailed design work and a requirement from the landlord to include a sprinkler system to enhance fire safety in the centre.</p>
	<u>Transport Programme</u>
102.	<p><u>Clean Air Zone – Cycling Infrastructure (Increase £1.73M in 2018/19)</u></p> <p>Approval is sought for the addition of £1.73M to the Transport Programme and for approval to spend this sum in 2018/19, to be funded from government grants. This will allow work on two major corridors of the city and focus on supporting the priority outcomes identified in the Southampton Cycle Strategy and Clean Air Strategy.</p>
103.	<u>Vehicle Purchase (Increase £0.14M in 2017/18)</u>

	Approval is sought for the addition of £0.14M to the Transport Programme and for approval to spend this sum in 2018/19, to be funded from government grants. This will be added to the existing project to allow the purchase of two tractors, which will support the Commercial Services Schools Grounds team.																					
	<u>HRA Programme</u>																					
104.	<p><u>Fire Safety (Increase of £8.41M in 2018/19)</u></p> <p>Approval is sought for the addition of £8.41M to the HRA Capital Programme and for approval to spend this sum in 2018/19, to be funded from Council Resources. Additional Fire Safety works has led to a reprioritisation of the capital programme to enable the resources to be available to enable this to be delivered as noted in paragraph 72 above.</p>																					
105.	<p><u>Other Budget Alignments (Net decrease £3.91M in 2018/19)</u></p> <p>Following the outturn position for 2017/18 being finalised, the review of the 2018/19 work plan has taken place. This has meant that the budgetary requirements for certain schemes has been revised, hence the requirement for a revised programme, as per Appendix 2 and summarised below.</p> <table border="1"> <thead> <tr> <th>Summary</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Estate Regeneration and New Build</td> <td>1.57</td> </tr> <tr> <td>Safe Wind & Weather Tight</td> <td>(0.53)</td> </tr> <tr> <td>Modern Facilities</td> <td>(1.88)</td> </tr> <tr> <td>Well Maintained Communal Facilities</td> <td>(1.20)</td> </tr> <tr> <td>Warm & Energy Efficient</td> <td>(1.87)</td> </tr> <tr> <td>Increase/(Decrease)</td> <td>(3.91)</td> </tr> </tbody> </table>	Summary	£M	Estate Regeneration and New Build	1.57	Safe Wind & Weather Tight	(0.53)	Modern Facilities	(1.88)	Well Maintained Communal Facilities	(1.20)	Warm & Energy Efficient	(1.87)	Increase/(Decrease)	(3.91)							
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106.	The table below shows a comparison of the latest forecast planned General Fund capital programme for the period 2017/18 to 2021/22, including any amendments noted elsewhere within this report, compared to the previously reported programme.																					
107.	<p><u>Table 9 – General Fund Programme Comparison</u></p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>Total</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>Latest Programme</td> <td>30.43</td> <td>87.70</td> <td>25.05</td> <td>23.80</td> <td>29.48</td> <td>196.46</td> </tr> </tbody> </table>		2017/18	2018/19	2019/20	2020/21	2021/22	Total		£M	£M	£M	£M	£M	£M	Latest Programme	30.43	87.70	25.05	23.80	29.48	196.46
	2017/18	2018/19	2019/20	2020/21	2021/22	Total																
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Latest Programme	30.43	87.70	25.05	23.80	29.48	196.46																

	Previous Programme	48.44	68.78	23.98	23.75	29.48	194.43
	Variance	(18.01)	18.92	1.07	0.05	0.00	2.03
108.	The above table shows that the General Fund capital programme has increased by £2.03M to £196.46M.						
109.	There have been a number of Delegated Decision Notices (DDN) since the previous programme, totalling £0.14M in 2017/18 and £0.10M in 2018/19. These additions are detailed in Appendix 3.						
110.	Table 10 shows the use of resources to finance the General Fund Capital Programme up to and including 2021/22.						
	<u>Table 10 – Use of Resources</u>						
		2017/18	2018/19	2019/20	2020/21	2021/22	Total
		£M	£M	£M	£M	£M	£M
	Council Resources	6.96	48.08	4.41	17.83	29.48	106.76
	Contributions	2.84	6.83	0.00	0.00	0.00	9.67
	Capital Grants	16.47	28.50	20.38	5.70	0.00	71.05
	DRF (Portfolios)	4.16	4.29	0.26	0.27	0.00	8.98
		30.43	87.70	25.05	23.80	29.48	196.46
111.	It should be noted that the revised General Fund Capital Programme is based on prudent assumptions of future government grants to be received. The majority of these grants relate to funding for schools and transport and are unringfenced. However in 2016/17 these grants have been passported to these areas. The grants are predominately in relation to the schools programme and allocation of the Schools Basic Needs and Conditions Grants.						
112.	Table 10 demonstrates that the most significant amount for funding is provided by Council Resources, which at present, will be mainly through borrowing. Borrowing costs are in the main met within a central provision.						
	HRA						
113.	Table 11 below shows a comparison of the latest forecast planned HRA capital programme for the period 2017/18 to 2021/22, including any amendments noted elsewhere within this report, compared to the previously reported programme.						

114.	<u>Table 11 – HRA Programme Comparison</u>						
		2017/18	2018/19	2019/20	2020/21	2021/22	Total
		£M	£M	£M	£M	£M	£M
	Latest Programme	31.99	66.05	41.15	43.69	34.01	216.89
	Previous Programme	44.92	53.12	41.15	43.69	34.01	216.89
	Variance	(12.93)	12.93	0.00	0.00	0.00	0.00

115. The above table shows that the HRA Capital Programme has remained at £216.89M.

116. Table 12 shows the use of resources to finance the HRA Capital Programme up to and including 2021/22.

117.	<u>Table 12 – Use of Resources</u>						
		2017/18	2018/19	2019/20	2020/21	2021/22	Total
		£M	£M	£M	£M	£M	£M
	Council Resources	4.15	34.12	16.21	11.05	1.66	67.19
	Contributions	0.38	1.68	0.00	0.00	0.00	2.06
	Capital Grants	0.56	0.00	0.00	0.00	0.00	0.56
	DRF	7.64	10.49	1.46	10.17	11.25	41.01
	MRA	19.26	19.76	23.48	22.47	21.10	106.07
		31.99	66.05	41.15	43.69	34.01	216.89

RESOURCE IMPLICATIONS

Capital/Revenue

118. This report principally deals with capital and the implications are set out in the main body of the report. In addition any revenue consequences arising from new capital schemes are considered as part of the approval process for each individual scheme.

119. The revenue cost implications arising from borrowing, to support the capital programme, are considered as part of the annual revenue budget setting meetings. Table 13 below provides a summary of the estimated revenue cost

	<p>implications of borrowing for the updated programme included within this report.</p> <p>It should be noted that costs are based on full year effect following year of spend and using short term borrowing rates for 2018/19. Provision for the costs in Table 13 below have been included in the Medium Term Financial Strategy (MTFS) approved by Council in February 2018.</p>																																																															
120.	<p><u>Table 13 – Revenue Cost Implications of Borrowing</u></p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> </tr> <tr> <th></th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td colspan="7">Assumptions</td> </tr> <tr> <td>Additional Borrowing Requirement</td> <td>5.22</td> <td>60.58</td> <td>20.62</td> <td>27.92</td> <td>29.48</td> <td>-</td> </tr> <tr> <td>Assumed Interest Rate Borrowing</td> <td>-</td> <td>1.05%</td> <td>2.91%</td> <td>3.04%</td> <td>3.24%</td> <td>3.49%</td> </tr> <tr> <td colspan="7">Revenue Implications</td> </tr> <tr> <td>Minimum Revenue Provision (MRP) based on annuity assumptions. Cumulative from 2017/18</td> <td>-</td> <td>0.09</td> <td>0.69</td> <td>0.78</td> <td>1.07</td> <td>1.46</td> </tr> <tr> <td>Interest - Cumulative from 2017/18</td> <td>-</td> <td>0.01</td> <td>0.19</td> <td>0.25</td> <td>0.34</td> <td>0.45</td> </tr> <tr> <td>Total Revenue Cost Implications</td> <td>-</td> <td>0.09</td> <td>0.88</td> <td>1.04</td> <td>1.42</td> <td>1.91</td> </tr> </tbody> </table>		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23		£M	£M	£M	£M	£M	£M	Assumptions							Additional Borrowing Requirement	5.22	60.58	20.62	27.92	29.48	-	Assumed Interest Rate Borrowing	-	1.05%	2.91%	3.04%	3.24%	3.49%	Revenue Implications							Minimum Revenue Provision (MRP) based on annuity assumptions. Cumulative from 2017/18	-	0.09	0.69	0.78	1.07	1.46	Interest - Cumulative from 2017/18	-	0.01	0.19	0.25	0.34	0.45	Total Revenue Cost Implications	-	0.09	0.88	1.04	1.42	1.91
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121.	There are no specific property implications arising from this report other than the schemes already referred to within the main body of the report.																																																															
LEGAL IMPLICATIONS																																																																
<u>Statutory power to undertake proposals in the report:</u>																																																																
122.	Financial reporting is consistent with the Chief Financial Officer's duty to ensure good financial administration within the Council. The Capital Outturn Report is prepared in accordance with the Local Government Acts 1972 – 2003.																																																															
<u>Other Legal Implications:</u>																																																																
123.	None directly, but in preparing this report, the Council has had regard to the Human Rights Act 1998, the Equality Act 2010, the duty to achieve best value and statutory guidance issued associated with that, and other associated legislation.																																																															
RISK MANAGEMENT IMPLICATIONS																																																																

124.	None.
POLICY FRAMEWORK IMPLICATIONS	
125.	The outturn for 2017/18 forms part of the overall statutory accounts.
CONSULTATION	
126.	<p>Service Directors, Service Leads and Project Managers have been consulted in preparing the reasons for variations.</p> <p>The General Fund and HRA capital programme outturn summarises additions to the capital programme and slippage and rephasing since the last approved programme reported in February 2018. Each addition has been subject to the relevant consultation process which reflects the role played by Council Capital Board. The content of this report has been subject to consultation with Finance Officers for each service.</p>

KEY DECISION?	Yes/No	
WARDS/COMMUNITIES AFFECTED:	NONE	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Scheme Budget Variances 2017/18	
2.	Revised Estimates 2018/19	
3.	Variations to 2017/18 Since February 18 Update	
Documents In Members' Rooms		
1.		
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.		Yes/No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact		Yes/No

Assessment (PIA) to be carried out.		
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		