

Item No. 8.	Classification: Open	Date: 18 March 2014	Meeting Name: Cabinet
Report title:		Quarter 3 Capital Monitoring Report for 2013/14 and Capital Programme Refresh for 2013/14 -2023/24	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Finance, Resources and Community Safety	

FOREWORD - COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR FINANCE, RESOURCES AND COMMUNITY SAFETY

Southwark Council is proud to have one of the most ambitious capital programmes in the country. This report does two things: it shows the progress being made in carrying out that programme during the current year and it sets out the programme for the future as part of a ten-year vision.

Performance

On the general fund capital programme, the monitor for 2013/14 currently shows a favourable variance of £22.7m projected for the year. The report details the reasons for this in paragraphs 39-99: in some cases, the council has secured better value for money than originally planned, in others there is some slippage in the projects. Summary figures are shown in appendix A.

On the Housing Revenue capital programme, the monitor projects a favorable variance of £3.3m has been achieved for 2013/14 - a relatively small figure given the £121m programme budget for the year. Details are set out in appendix B, with details explained in paragraphs 100-118.

Appendix C of the report sets out virements and variations to the programme, including how these will be financed.

Future programme

Appendices D-H set out the additions to the programme for cabinet to agree. Further detail can be found in paragraphs 120-198. These proposals include:

- The largest new proposal set out in this report is the injection of a further £1.042 billion for the Housing Investment Programme over the next ten years. **£985m** of this is to roll out the next stage of the Warm, Dry and Safe strategy including work to provide new **kitchens, bathrooms, lifts, external and communal decorations** throughout the council's housing. It will also pump-prime the next steps in the council's plans to build new council homes.
- There is **£16m new funding to create additional primary school places.**

- A **new centre for adults with autism** will be built for £12m.
- **£13m will be invested to improve the quality of the borough's roads**, along with a **£500k a year programme to improve the infrastructure for cycling**.
- Money will be invested in our parks, including **£6m to further improve Burgess Park**.
- Money will be provided to refurbish **Southwark Park Athletics Track and providing new pavilion and changing facilities there**.
- We will invest to make the council's buildings more energy efficient.
- **£20m will be invested to rebuild Walworth Town Hall and Newington Library** and making them modern facilities serving the needs of the community for the twenty-first century.
- A high spec temporary **library will be provided at Elephant & Castle** whilst the Newington Library is being rebuilt.
- £2m will be invested to rebuild **Mint Street Adventure Playground**.
- £995k will be invested to make further **improvements at Peckham Rye Park**. This work will complement that already agreed for rebuilding the Peckham Rye Playroom.
- **New community buildings will be built at Sumner Road and Acorn Estate**, alongside the new homes being built at both sites.
- A total of £4m invested to **improve shopping areas** across the borough.

RECOMMENDATIONS

That cabinet:

1. Notes the general fund capital programme for the period 2013/14 to 2021/22 as at 31 December 2013, as detailed in Appendix A.
2. Notes the housing investment programme for 2013/14 and future years as at 31 December 2013 as detailed in Appendix B.
3. Approves the virements and variations to the general fund and housing investment capital programme as at 31 December 2013, as detailed in Appendix C.
4. Approve the new capital bids for the general fund for the period 2013/14 to 2023/24 as shown at Appendix D and detailed in paragraphs 120-178.
5. Approve the new capital bids for the housing investment programme for the period 2013/14 to 2021/22 as shown at Appendix E and detailed in paragraphs 179-198.
6. Approve the refreshed capital programme including the new bids for the general fund (as shown in Appendices F and H) and the housing investment programme

(as shown in Appendix G) and notes that further re-profiling of expenditure and resources for 2013/14 and future years will be required in the future based on more up to date information available at that time.

7. In view of the comments on paragraphs 199-202 on the projected financial position over the 10 year capital programme, agree that the Strategic Director of Finance and Corporate Services monitors this situation closely and work with strategic directors on the profiling of capital expenditure and explore other funding options, if required, to ensure the capital programme can be sustained over the long term.

BACKGROUND INFORMATION

Capital Monitor

8. The Quarter 2 capital monitor report to cabinet in November 2013 indicated that expenditure of £23m had been incurred on the general fund capital programme against a budget of £95.3m with a projected a favourable variance of £15.1m against the budget expected by financial year end.
9. The Quarter 2 capital monitor report also reflected spend of £34.3m on the Housing Investment Programme against a budget of £131.2m and projected a small favourable variance of £3m expected by financial year end.
10. This report sets out the re-profiled budget and forecast outturn position for 2013/14 and futures years for the General Fund and the Housing Investment Programme as at Quarter 3 2013/14.

New Capital Bids

11. On 25 September 2012 cabinet approved the refresh of the 10 year capital programme for the period 2012/13 to 2021/22. At that meeting, cabinet approved additional capital bids of £59.9m for the general fund and agreed a total capital programme for the general fund of £387.2m for the period up to 2021/22. At that meeting, cabinet also noted the Housing Investment Capital Programme of £397.5m for the period up to 2015/16.
12. The cabinet report of 25 September 2012 also agreed that the Strategic Director of Finance and Corporate Services presents an updated capital programme refresh in early 2014 and this reports sets out the refreshed capital programme for both the General Fund and Housing Investment Programme for the period up to 2023/24.
13. The total value of the capital programme for the Council, if cabinet approves the new capital bids included in this report, will equate to over £2b for the period 2013/14 to 2023/24 and the proposed capital programme represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and or do business in Southwark.
14. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Historically the capital programme has been over programmed in year to compensate for these variations, whilst retaining a balanced programme overall.

15. Robust and continued monitoring of numerous schemes across the departmental capital programme and the complexities of managing a capital programme of this magnitude will inevitably leads to some variations in the expenditure within and between financial years. This requires re-profiling of the budgets, as recommended in this report.
16. This report sets out the re-profiled budget and forecast outturn position for 2013/14 and future years, including the new capital bids for the General Fund and the Housing Investment Programme (HIP) as at 31 December 2013.

KEY ISSUES FOR CONSIDERATION

General Fund Capital Spend

17. This report shows a re-profiled general fund capital budget for 2013/14 of £96.8m. Expenditure of £36.8m was incurred as at 31 December 2013, equating to 38% to the annual budget. The total projected spends for 2013/14 is £74m and the summary position by departments is reflected in Appendix A.

Housing Investment Programme Spend

18. The 2013/14 budget has been re-profiled, taking into account the latest information available on contract procurements, scheme progress and possible slippages. The total re-profiled budgets on the Housing Investment Programme for 2013/14 is £121.2m and the monitor indicates that expenditure of £59.7m has been incurred as at 31 December 2013, showing a spend of 49% to budget. The total projected spends for 2013/14 is £117.9m with the majority of the expenditure being incurred on the numerous works within the Warm, Dry and Safe programme. Details of the Housing Investment Programmes by schemes and the summary position are reflected in Appendix B.

Resource implications

19. The council's capital resources come from a variety of sources, which were detailed in the capital monitoring report to cabinet in September 2013. They are comprised of the following:
 - capital receipts from disposal of property
 - grants
 - external contributions
 - section 106 contributions
 - housing major repair reserve
 - contributions from revenue
 - contribution from reserves
 - internal borrowing
 - external borrowing
20. The capital programme is influenced by resource timing and availability. Over the life of the programme, all commitments must be met from anticipated resources. The final funding requirement in each year will be based on the actual expenditure, and will seek to maximise the use of grants and other funding sources, prior to the use of capital receipts. Regular monitoring and formal reporting regulates the programme and mitigates cash flow and funding risks. Officers undertake regular monitoring to assess income to date, forecasts and

changes.

21. Each department forecasts its programme as accurately as possible to minimise the need for re-profiling. Where this does occur, the requirement is flagged as early as possible and budgets re-profiled in line with anticipated spend. Given the complexity of capital projects, it is common to see some variation in the profile of the actual programme against the forecast. The impact of this is mitigated through regular formal monitoring, departmental reviews and access to a resource base wide enough to cope with change.
22. In developing and managing its capital programme the council has to maintain clear control on the selection and use of resources to finance capital expenditure. Strategies for investments, borrowing and treasury management facilitate this control and assist the council to have clear strategic direction on its use of resources. This identifies new resources, makes changes to the planned use of resources at an organisational level as projects complete or new projects emerge.

Section 106 and Community Infrastructure Levy (CIL)

23. The September 2013 report to cabinet explained Section 106 (S106) agreements, otherwise known as planning obligations, and the Community Infrastructure Levy (CIL) as one of the sources for funding the capital programme.
24. A draft charging schedule was published in April 2013 for the CIL followed by a consultation as the council is working towards a 2014 adoption date for its CIL. The funding available for the capital programme will be updated once the charging schedule for CIL is finalised. CIL may only be used to support qualifying, appropriate schemes.

New Homes Bonus

25. The September 2013 report explained the New Homes Bonus (NHB). In accordance with a cabinet decision of 21 June 2011, all NHB resources not committed to the revenue budget (currently all but £1.5m) should be allocated to corporate resources to fund future capital expenditure.
26. The same level of revenue commitment is assumed in forecasts for future years to 2016/17, with the balance to be allocated to capital. There are, however, changes expected in the financing arrangement for the New Bonus Scheme in 2013/14 and this will be identified as part of the future revenue budget setting process. Any resulting impact on the capital programme will be reflected in the first available capital monitoring report.

Contributions from Earmarked Reserves

27. Reserves are funds set aside from favourable variances in the revenue and capital budgets. They can also be planned contributions to meet contractual commitments or future expenditure plans which may include risks or liabilities that arise at a later date. The three reserves which have relevance for funding the capital programme are outlined below:
 - modernisation reserve supports one-off expenditure or multi-year projects designed to modernise and further improve the operational efficiency of

Southwark's service provision.

- the regeneration and development reserve funds one-off expenditure and multi-year projects delivering regeneration and development across the borough. Relevant projects include the Aylesbury Estate Regeneration, Canada Water, and Elephant & Castle Regeneration.
- compliance and planned preventative maintenance reserve which may be used to support activities upgrading the wider council estate in line with legislative and/or preventative maintenance requirements.

Capital Receipts

28. The council operates a ten-year disposals programme and the planned disposals generate capital receipts which the council can use as a funding source to finance capital expenditure.
29. The disposals programme is subject to ongoing review by officers to mitigate the risk of funding unavailability due to timings or amounts received in year. The capital receipts forecasts together with other sources of funding will be monitored on a regular basis to ensure adequate funding for the capital programme. In the event that in-year funding generated by disposals is insufficient to meet the level of expenditure, alternative short term sources of funding may need to be accessed or projects deferred or re-profiled. Short term sources of funding include use of earmarked reserves and/or accelerating the disposals programme.
30. As at 31 December 2013/14, £20.1m and £13m had been received from the housing and general fund receipts respectively for the financial year 2013/14.

Capital Grants

31. The council uses of a range of grants to fund capital expenditure and in each case funding conditions are met to demonstrate that grants have been applied for the purposes given and audit trails are maintained.
32. At 31 December 2013/14, £39.5m grant had been received including £14.3m of education related grants and £5.9m secured through S106 agreements.

Programme position at Quarter 3 2013/14

33. Appendix A provides a summary of the general fund programme position as at 31 December 2013. This shows a total expenditure budget of £339.6m budgeted over the programme from 2013/14 to 2021/22.
34. Appendix B gives a summary of the housing investment programme position as at 31 December 2013. This shows a total expenditure budget of £502.3m over the programme for 2013/14 and future years.
35. Appendix C provides details of the budget virements and variations arising in quarter 3 of 2013/14.
36. The capital bids refreshing the current programme are set out in Appendix D and E for the general fund and housing investment programme respectively and detailed in the following paragraphs within this report under New Capital Bids.

The updated programme position is reflected in Appendix F and H for the general fund and Appendix G for the housing investment programme.

37. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

Departmental Updates on Quarter 3 Capital Monitor Position

38. The sections below provide commentary on the budget position by departments for 2013/14.

GENERAL FUND (APPENDIX A)

Children's and Adults' Services

39. In summary, at quarter 3 the capital programme across Children's and Adults Services is £96.1m; with an annual 2013/14 budget of £19.7m. Expenditure incurred to date is £5.3m with an additional £1.2m cost to be allocated to the capital projects making total expenditure of £6.5m. The forecasted expenditure for 2013/14 is £13.9m.

Children's Services

40. The revised capital programme for 2013/14 to 2021/22 is £88m adjusted for a virement to the Chief Executives of £0.8m for Peckham Rye play rooms. The annual budget for 2013/14 is £15.4m; expenditure incurred to date is £6.5 and the forecast expenditure for 2013/14 is £12.3m; resulting in £3.1m of budgets to be re-profiled into future years.
41. Of the £6.5m spend at quarter three; £2.8m is for Southwark Park Primary School which is opening next year. The major permanent expansion at Lyndhurst School entered into contract and so far £1.2m has been spent.
42. The key reasons for the favourable variance of £3.1m for 2013/14 which needs to be re-profiled into future years are:
- Over the summer holidays temporary expansion took place at 9 schools the total forecasted expenditure is £2.1m against the £2.5m budget arising from favourable tenders.
 - The £750k 2013/14 budgeted works at Cherry Garden School have been re-profiled to 2014/15 as a result of ongoing consultation.
 - A further £1.4m has been re-profiled for the Primary Expansion and Condition Programme as a result of ongoing negotiations with schools and statutory consultation.
43. There are also some cost variances expected across the budgets of some schemes and these budget virements are reflected in Appendix C for approval.

Adults' Services

44. The capital programme for 2013/14 to 2021/22 is £8.1m; an increase from quarter two of £0.9m resulting from the successful bid to the "Improving the environment of care for people with dementia programme" funded by the DoH. The annual budget for 2013/14 is £4.3m. The forecast spend for 2013/14 is

£1.6m resulting in a favourable budget variance £2.7m which will be re-profiled into 2014/15.

45. This expected expenditure comprises £0.9m on the Tower Bridge Nursing home for the improvement of dementia care facilities funded by the grant bid; £0.6m for the refurbishment of the Brandon Trust properties; and £0.1m for the Centre of Excellence.

Southwark Schools for the Future

46. The capital programme for the period 2013/14 to 2021/22 is £47.0m. The annual budget for 2013/14 is £13.5m which has increased by £521k from quarter two as corporate resources have been brought forward to cover expenditure not covered by BSF grant funding; £2.5m of grant funding is re-profiled to future years resulting in a forecasted spend for 2013/14 of £11.0m.
47. The largest area of spend in 2013/14 is for the schools at St Michael's and All Angels (SMAA) site which incorporates the new Highshore Special School. The completion of the school was deferred from September 2013 and now the final landscaping and demolition works will take place in 2014 resulting in the re-profiling of £1.5m expenditure.
48. The expenditure at quarter three is £7.1m of which £6.4m is for SMAA/Highshore construction works.

Finance and Corporate Services

49. The capital programme of this department focuses on two key areas: Information Technology infrastructure projects and premises-related improvements to council buildings. The total departmental capital programme stands at £21.96m.
50. Total forecast capital spend for the department in 2013/14 is £5.9m against a budget of £6.97m; with spend of £3.78m as at 31 December 2013. The department is forecasting a favourable variance of £1.07m which is made up of £1.0m on the Childrens & Adults Social Care Case Management Software (previously referred to as the Upgrade to Care First) programme. There is also a small favourable variance of £0.23m on the Work to Council Buildings DDA programme a small adverse variance of £0.16m on the Keeping Services Operational programme. These budgets will be re-profiled by year end in order to meet the revised plans for expenditure.
51. The council has engaged a new IT Managed Service provider which will be delivering a series of core enabling projects to modernise provision of IT services to the council. Total spend in 2013/14 is expected to be £5.0m and is funded by corporate resources.
52. The new Corporate Facilities Management (CFM) services contract has commenced and is about to enter year 2 of a 5 (plus 2) year contract period. A budget of £10.25m within the departmental capital programme addresses future FM capital requirements in respect of compliance and compliance related planned preventative maintenance. This reflects the anticipated cost of undertaking works to the council's operational estate from 2014/15. This follows an earlier phase where the council undertook work to its front-line premises to ensure compliance with the Disability Discrimination Act.

Environment & Leisure

53. The Departmental Capital Review Board continues to scrutinise the forecasts of all projects and their profiling at end of each quarter to check their robustness and arrive at a more realistic estimate of expenditure for the year.
54. Environment and leisure department's latest approved capital budget for 2013/14 is £29.3m against the projected spends of £22.2m, giving an overall favourable variance of £7.1m to be carried forward into 2014/15.
55. Total approved E&L capital programme and projected spend from 2013/14-2021/22 is £113m.

Sustainable Services

56. The majority of the budget of £2.3m for Integrated Waste Solutions Programme & Southeast London Combined Heat & Power (SELCHP) continues to be held against potential S106 obligations. The objective is to ensure adequate funds are available to mitigate any identified impacts (i.e. carbon emissions & traffic increases) on the A2-Old Kent Road and other specified local borough roads which may be attributable to the development of the new waste facility.
57. The process involves a number of traffic surveys to determine whether the waste facility has generated 2.5% or greater increase in traffic flows during the morning (am) or evening (pm) peaks at one or more of the specified locations since the first (initial) GLA Roads Traffic Survey that was undertaken before the facility was built. A number of the scheduled surveys have been undertaken and the outcome and any potential liability will become clearer in the next 6-12 months.

Public Realm

58. The Cleaner Greener Safer (CGS) forecast expenditure for 2013/14 is £2.36m against this year's budget of £4.3m. This is an increase of 21% on the 2012/13 final outturn. This reflects inroads being made into the backlog which has been achieved through an enhanced focus on delivering these projects.
59. The Non Principal Road (NPR) Programme is forecast to achieve a full spend, except for a slippage of £189k forecasted on Community Council devolved funding where some decisions have been delayed.
60. It is proposed to re-profile the existing Non Principal Road programme to bring forward additional funding of £2m per annum for 2015/16 - 2017/18, adding it to the existing £4m approved for those years. That will be taken from years 2019/20 – 2021/22. Re-profiling the current allocation and adopting a 'prevention is better than cure' approach will produce revenue savings of 70k in each of the 3 financial years 2015-18 and ensure 50% more Km of roads are resurfaced in financial years 2015-18. The proposal will also improve the condition of the roads within the borough. The required re-profiling of budgets for the period 2015/16 onwards will be completed as part of the 2013/14 capital monitor outturn report to cabinet.
61. The Burgess Park BMX track project was completed and opened to the public in August 2013. The project was delivered within budget.

62. Work continues on the delivery of the next phase of the cemetery strategy to create further burial spaces at Camberwell new cemetery and Camberwell old cemetery and to make associated infrastructure improvements. Area F at Camberwell Old Cemetery has been completed and road repairs at the cemetery are underway to allow smooth access to the site. Muslim Burial space is now available at Nunhead Cemetery. The cemeteries project is extremely complex and some of the expenditure has been re-profiled to 2014/15 to allow for detailed site investigations and consultations.
63. Following the failure of the main contractor on our Mercury Abatement project, there has been a slippage on this project. We are working on procuring an alternative contractor but this is likely to lead to an extra cost. However, we expect to be able to absorb this within the overall cemeteries capital programme.
64. GMH Park accommodation refurbishment of £120k is in the capital programme in 2013/14 for this building. This was based upon a surveyor's report produced early in 2011 which was based on the need to accommodate staff and address urgent health and safety issues. This project has been renewed in the light of changing demands for accommodation and a revised project brief is currently being prepared. Therefore, the work will slip into 2014/15
65. The majority of schemes under the parks programme are expected to be completed by 31 March 2014 within the allocated budget. The deferral of funds to the new Year includes retention payments and £200k earmarked for possible boreholes for water supply which requires further agreement with the Environment Agency.

Culture Libraries Learning and Leisure

66. Olympic Legacy Fund - This capital programme was a provision of £2m over 2 years for the Southwark 2012 Olympic capital legacy fund with an objective to invest in capital projects that support a lasting Olympic and Paralympics legacy. The programme was intended to improve access to and increase participation in physical activity and encourage the development of the Olympic values in the borough's communities. Almost all the projects have now been completed including major improvements to Camberwell Leisure Centre, Herne Hill Velodrome and Peckham Rye as well as upgrading community facilities at various locations in the borough. Officers have been able to use this funding to lever in an extra £1.2m from external sources to further enhance projects. A new bid for legacy funding has been submitted to the capital programme to enable further improvements at Homestall Road, Southwark Sports Ground grass pitches and the velodrome.
67. Works to bring Southwark Park Track back into use will commence in the near future. Officers have secured an additional £600k external funding to contribute towards this project. Designs for the track have been finalised and reports required for the procurement of works have been prepared for progressing in February this year
68. A phased approach is being taken to investing in Peckham Pulse. Phase one works will be undertaken in quarters 3 and 4 this year and will consist of major life cycle issues being addressed. This includes air conditioning works which are nearing completion. Phase two will include works on the spa suite, café and reception areas, all of which need upgrading or replacing, and these will be delivered in 2014/15.

69. Following a virement agreed at the last quarter, a budget has been identified to carry out works at the Livesey building and address a number of important structural issues. The report for the works has now been approved and the works are about to commence.
70. Investment in self service technology is a key component of the libraries modernisation programme and installation of such equipment is a key in supporting the savings agreed in the libraries review. Implementation of RFID equipment (Radio Frequency Identification) at Dulwich and Peckham was completed in 2012/13. RFID funding for Camberwell Library is now needed in 2014/15 rather than 2013/14 to tie in with new dates for completion of the construction programme. RFID for Newington is budgeted for in 2014/15 and it is anticipated that this will still be needed to install RFID into a medium term alternative site for this library. There are also provisions in the current programme to implement RFID in other libraries and further bids are requested in the next capital refresh. Therefore, it is proposed that all these provisions are merged under a single scheme to modernise libraries so that these can be implemented as when libraries are ready and suitable.
71. The Thomas Calton Centre refurbishment commenced in late 2012/13 and will complete in 2013/14. The works are to address longstanding maintenance issues to the roof and fabric of the building. Spend is profiled over 2 years for this project.
72. Work at Pynners sports ground continues and it is anticipated that it will be completed shortly.

Community Safety

73. The CCTV Refresh Project is designed to provide the council with a more robust and efficient security response service whilst maintaining a constant vigilant presence in our communities. It supports a key commitment on the council plan to work with residents and the police to make the borough safer for all by cracking down on antisocial behaviour and implementing the new violent crime strategy. The project is well on course to delivering its objectives.
74. The project has to date, installed new systems, repaired or replaced CCTV cameras on 16 estates and installed redeployable CCTV cameras on a further 7 estates. In total, the project has now added 121 functioning CCTV cameras across the Borough (which represents approximately 80% of the project) these are all monitored and recorded at the CCTV Control Room.
75. The project is on track to be completed by the 31st March 2014, within the allocated resources.

Housing Renewal

76. Out of the 2013/14 budget of £1.3m for the statutory Disabled Facilities Grant (DFG), £567k has been spent up to quarter 3 and is on target to spend the remaining budget by the year end. The expenditure to date reflects 44 client applications for a variety of adaptations such as wet-room installations, through floor lifts, hoists and stair-lifts.

77. Funding of £449k was made available for 2012/13 through the South East London Housing Partnership (SELHP) to bolster work on empty homes projects within Southwark. The majority of this budget is projected to be spent this quarter as both major and minor empty homes projects complete works on site. External funding is always sought wherever possible, to reduce the call on capital resources for empty homes projects and given this funding from SELHP the capital empty homes budget was re-profiled from £410k to £226k for 2013/14.
78. The bulk of the spend on the home repair loan and home repair grant budgets will also take place in quarter 4 and is due to the lead in times to get projects on site given the vulnerability of clients and applicants as well as the often extensive nature of repair works. There has also been an increase in more loan based products as the unit moves away from direct grant assistance. During this transition, budgets are being re-profiled into 2014/15.
79. Details of the required re-profiling of budgets and budget adjustments on the schemes mentioned above are reflected in Appendix C for cabinet approval.

Chief Executive's Department

80. The capital budget for Chief Executive's department over the period 2013/14-2021/22 has increased from £57.8m to £60m since the Quarter 2 monitor was presented to Cabinet. The increase of approximately £2.2m is due largely to budget transfer of £925k from Children's and Adults and Environment and Leisure department; £200k additional budget for Camberwell library and civic space; £890k additional funding from TfL and £210k from S106 agreements.
81. This budget increase will support the delivery of various transport; public realm and environmental improvement projects across the borough. The £925k from Children's and Adults and Environment and Leisure has been earmarked as secured funding towards the £1.925m required to deliver the Revitalise Peckham Rye project.
82. The design stage and clearance of the site is complete, in preparation for the construction of the Camberwell Library and the works are expected to commence in February 2014 as soon as the contract is awarded.
83. Current estimates indicate that the capital allocation for the Camberwell Library needs to be increased by £200k, which has largely been due to an upturn in the construction market which has not been to our advantage. It has taken some time to develop a suitable building design. This has been developed in consultation with the council departments and the planning authority in order to ensure that the design, materials and external space is of a high quality and appropriate in the space that is adjacent to a conservation area. The items identified through this process have been incorporated into the scheme.
84. These budget variations above are reflected in Appendix C for cabinet approval.
85. For the current financial year, the department is forecasting an expenditure of £19.8m, a downward movement of £900k from quarter 2 report. The reduction in forecast reflects changes in project delivery plans since the quarterly report was presented to Cabinet, and the subsequent re-profiling of project expenditure to reflect current plans. Details of divisional budgets, forecast expenditure and key achievements in project delivery are outlined in the following paragraphs.

86. The planning projects team in the planning division has a budget of £5m with forecast expenditure of £1.6m for 2013/14, and £3.4m for 2014/15.
87. A number of public realm and streetscape improvement projects are on site. The Nunhead Outer London Fund (OLF) schemes, partly funded by GLA grant, are progressing. The pop-up shop has been let to the third and fourth tenants (a fashion store and an Eco-couture enterprise); the festival programme is well underway and Nunhead Green improvements have been granted planning permission and due to start on site by the end of Q4. The shop front improvements have commenced on site and are due to complete in Q4.
88. Other projects that have started on site this quarter include improvement works to the bridge at Ewer Street and the public realm in Ewer and Lavington Streets. Shop front improvements in Queens Road were submitted for planning permission and should commence on site in Q4.
89. The triangle site in Tooley Street has been tendered to design firms and a commission will be let in Q4. Alice Street and Nelson Square redesign, and resurfacing have been commissioned from the Public Realm Department.
90. Transport planning, also in planning division, has a budget of £17.3m with forecast expenditure of £5.9m in 2013/14, and the balance of £11.4m profiled for 2014/15 and beyond.
91. The programme of complementary measures for Cycle Superhighway 5 is now complete. Implementation of the majority of the corridors and neighbourhoods schemes has commenced in January, with a small number to follow shortly afterwards.
92. Those schemes which were undergoing consultation in Quarter 2, including East Dulwich Grove, Rotherhithe New Road and Paxton Green have now been given approval and due to begin implementation early in the new year.
93. Additional funding has been secured between Quarter 2 and 3 including £400k for air quality schemes from the Mayor's Air Quality Fund and £220k for cycling programmes including a Cycling Schools Partnership project in Dulwich and additional funding for cycle parking in the borough.
94. Transport modelling on the Revitalise5 Camberwell project is now complete and currently being assessed by Transport for London. Support to progress the Datchelor Place Pocket Spaces project was agreed in December and will now progress to detailed design.
95. The Regeneration division has a budget of £37.6m with forecast expenditure of £12.3m in 2013/14 and £25.3m for 2014/15 and beyond. The construction of £20m leisure centre in Elephant & Castle as part of the regeneration is progressing with completion currently scheduled for 2015.
96. The council's office accommodation programme is progressing with practical completion of Queens Road 2 as a generic office building on 9 December 2013. The office provides 86 workstations spread over four floors. Following a period of building readiness, the first teams moved in on 6 January 2014, with the final team due to move in by 20 January 2014.

97. The decommissioning of Southwark Town Hall is complete and revised disposal arrangements are now in place and scheduled to complete by spring 2014.

Housing General Fund

Travellers' Sites

98. A budget of £1.4m is currently profiled for 2013/14 but spend is difficult to predict due to a current legal dispute between Southwark and Network Rail over responsibility. The budgets will be profiled against the expected spend once this issue is resolved.

Affordable Housing Fund - 122-148 Ivydale Road:

99. 7 social rent units on the Family Mosaic development to provide 14 new homes of mixed tenure in Nunhead is part funded by the AHF and are due for completion in quarter 4. The first payment of £682,500 was paid to Family Mosaic at the start of the works with the balance of £455,000 due following handover. Being street properties, the scheme has been run in 2 phases due to the need to exit the site to complete construction of the last 2 properties. There has been a delay of 12 weeks due to urgent works required to make the boundary wall to Nunhead cemetery, sited to the rear of the development, safe.

Housing Investment Programme (HIP)

Warm Dry and Safe

100. Despite the delayed start to the programme and the mutual conclusion of two of the partnering contracts, spend target for 2012/13 WDS was achieved and a spend target of £80m has been set for 2013/14 as the programme continues to accelerate. Spend in quarter 3 has continued to be steady with £44.3m spend at the end of quarter 3. The programme is still forecasting to spend to the target with further WDS 2013 major works schemes and WDS 2014 major works brought forward schemes due to start in the last quarter. Some schemes expected to start this financial year have been delayed and will start early next financial year, however, additional schemes are now expected to start this year and our partner contractors are planning to accelerate works on a number of schemes in quarter 4. Any delays or issues that arise in Quarter 4 are likely to impact on the overall forecast spend. Accurate long term forecasting has proved challenging as the extent of works required to meet the WDS standard is generally higher than the provision made in the programme.
101. The 2 year programme is now all on site and due to complete this year. The 2 year programme is currently behind schedule mainly due to the delayed decision by Lands Tribunal in December 2011 and replacing of Wates and Breyer (partnering contractors) following the mutual conclusion of those contracts. The replacement of the contractors means that that the programme has incurred additional overall costs that have been met from the WDS contingency fund.
102. The majority of schemes in WDS 2012 programme are on site. Due to the mutual conclusion of the Breyer contract, the Brandon estate schemes were delayed, with the first scheme on site at the end of quarter 2 and the other two starting in quarter 4. The Dickens estate previously under Wates is now also on site (internals) with the externals package starting in quarter 4. The agreed costs

for the schemes are higher than estimated in the stock condition survey and the WDS contingency fund is being used to meet the budget shortfall.

103. Three of the WDS 2013 major works schemes are already on site and a further two schemes will be starting in quarter 4. Following the phasing of the regeneration programme the WDS works at Aylesbury will start in 2014/15. Acorn will follow on from completion of the regeneration heating works. Tustin is delayed to 2014/15 due to the extensive scope of works required to meet the WDS standard. The Congreve / Salisbury scheme is now programmed to start Quarter 1 of 2014/15 following delays in the tendering process.
104. £14.9m of works from future years were planned to be brought forward to start in 2013/14 using the Decent Homes Backlog funding. Two of these schemes are already on site with 9 schemes expected on site by the end of quarter 4. Four of these projects have now been delayed to start early in 2014/15, however, two additional schemes have been brought forward from 2014/15 to commit in quarter 4 of 2013/14.
105. We expect the trend of schemes requiring more resources than the stock condition survey estimate to continue. Any additional resources required for the completion of the Warm Dry and Safe programme will need to be reviewed with the new capital bids being submitted for cabinet approval and an updated position will be reported to cabinet.
106. Both the Four Squares and Hawkstone WDS/HINE schemes have started on site with the external packages due to start in quarter 4. Abbeyfield is due to start on site in 2014/15.
107. The £4m individual heating budget is expected to fully spend by year end as it is ahead of schedule but there is a slight lag in capitalisation. All the remaining WDS district heating schemes programmed up to 2013/14 are expected by the end of the year or in early 2014/15. The 2015/16 WDS district heating schemes are being brought forward to start in 2014/15.
108. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. The majority of the higher moderate risk high rise blocks are also complete except for works being completed to coincide with the WDS programme. Gloucester Grove and Netley have also been added to the programme and will both complete this financial year.
109. 1,451 homes fell into non-decency at the start of this financial year (2013/14) meaning the Decency level fell from 60.31% at 2012/13 year end to 56.49%. The overall level of decent homes at the end of quarter 3 was 58.97%, which is only a small rise as many of the 2 year schemes are completing in quarter 4.

Other FRA works

110. £2.3m has been agreed for FRA works to substantial risk moderate rise blocks which will be programmed alongside the 2014/15 WDS programme.

Aylesbury PPM

111. Around £4m is expected to be spent in 2013/14 from the Aylesbury PPM budget. Spend in quarter 3 has continued to accelerate with £1.9m spend at the end of

the quarter. The lighting, laterals and boilers work is expected to complete in quarter 4 and spend on the primary mains is expected to continue to accelerate.

East Dulwich Estate

112. Works to convert eighteen drying rooms on the estate into residential accommodation for sale to fund the general refurbishment of the estate is underway. Phase 1 which comprises of 9 units is due to complete in mid January. Phase 2 is being progressed and will commence shortly thereafter. Additional resources will be required to complete these works as reported to Cabinet in early 2013 and a capital bid of £1,659m has been submitted accordingly.

Hidden Homes Programme

113. Seven hidden homes comprising of one's, two's and a four bedroom unit were completed in early December 2013 on the Glebe and East Dulwich Estates.

114. The next phase of the Hidden Homes programme will be delivered on the Dickens Estate through the conversion of an ex G.P surgery at Wade House and redundant drying rooms at Nickleby, Dombey and Tapley House. S106 funding of £160k was secured to deliver two units at Wade House via the Planning Committee in September 2013. Additional resources of £311k will also be sought from the S106 affordable housing fund for the other three units.

Cash incentive & Home Owner buy back scheme

115. In October 2013, cabinet approved the increase in budget of £500k to fund a Hardship Repurchase scheme approved by the Council's Cabinet in October 2013. The purpose of the Hardship Repurchase scheme is to assist home owners in severe financial difficulty, particularly those in immediate danger of losing their homes through repossession or forfeiture. The scheme forms part of the councils pledge to take homelessness in the borough.

116. Following the Lakanal Inquiry, the cabinet report of 10 December 2013 approved additional capital budgets for the installation of sprinkler systems in sheltered housing and temporary accommodation hostels along with the budgets required for the installation of LD2 type automatic battery powered smoke/heat detection to council homes. This increase in the capital budget of £32.48m is included in Appendix C for cabinet approval.

117. Some of the budgets within the Housing Investment Programme have been reviewed and re-profiled in line with previously approved budgets and these are reflected in Appendix C for approval.

118. Other additional resources agreed by the Housing Investment Board are also reflected in Appendix C for approval.

Resource Re-profiling

119. The budgets across the capital programme have been profiled based on the latest information as at 31 December 2013. However, due to the size of the capital programme and the number of projects involved, it is inevitable that unforeseen delays can occur leading to some variation against planned expenditure. Some of the forecasts will require further re-profiling as the

programme will be subject to on-going review by service managers during 2013/14 in terms of expected spend for the year based on the latest information available on procurement and contract management issues.

New Capital Bids- General Fund

120. The section below provides summarised narratives for each of the new capital bids submitted by the departments for cabinet approval.

Children's and Adults' Services

Children's Services – Primary Investment Programme- £16m

121. Southwark Council has a statutory obligation to provide sufficient places within our primary schools. There is a current shortfall in permanently available places and this is anticipated to continue over the medium term.
122. In response to the above it is intended to invest in our primary school estate to deliver almost 20 forms of entry of permanent places by 2016 with almost 15 of these through directly delivered projects. Further there is a need to deliver a programme of condition investment over the same period.
123. This required investment programme is estimated to need a further £16m of funding to be allocated from council resources in addition to the DfE grants and other funding expected. The Primary Investment strategy was set out in a Cabinet report on 16 July 2013.

Adults's Services- Adult Autism Provision - £12m

124. The Council will be required to provide for the education of adults post 19 with high support needs to meet the Children and Families Bill and deliver an integrated pathway for Children and Young People (CYP) with Special Education Need and Disability 0-25yrs (SEND).
125. A gap in provision exists, as the council has no local provision for 19-25 year olds with Autism (ASD), many of whom also have Learning Difficulties (LD) and high support educational needs.
126. Historically, the council has placed children and young people aged up to 19 with high support educational need in out of borough education placements, at great expense, and in some instances with poor outcomes as having been distanced from their families and other relationships, young adults may not always make a successful transition back to Southwark to live an independent life. Where a young adult with ASD and high support education needs is accepted by some independent providers near London, these are extremely high cost, and once accepted some may later be excluded if their needs are not able to be adequately supported in the service. Many may not be accepted by independent providers; due to complex needs, and remain at home often resulting in crisis.
127. Hence there needs to be a building based resource in Southwark from which we will be able to develop education and support provision for school and college leavers with ASD and LD. This building will be the Southwark resource centre for education and day services for young adults with autism and provide the base from which commissioned education/support will be delivered.

128. This necessary investment programme is estimated to require £12m of funding to be allocated although at this stage no potential site has been identified.

Finance and Corporate Services

Preventative Planned Maintenance Programme to the Councils Operational Estate - £27.5m

129. This proposal is for a total of £27.5m made up of £2.75m per annum for a ten-year programme. The programme will enable the delivery of an effective and appropriately resourced capital investment programme of preventative and planned maintenance works and renewal to the building fabric and services for the 362 buildings which make up the council's operational estate. The programme will ensure that there is targeted capital investment in the estate that preserves both its utility and maintains the asset value of the estate in line with the councils accounting and reporting practice

IT Planned Maintenance Programme - £10m

130. This proposal is for a total of £10m made up of £1.0m per annum for a ten-year programme to start in 2014/15. The programme will cover the improvement and replacement of IT infrastructure and networking in order to ensure the reliability and availability of key systems and minimise disruption where components fail.

Environment & Leisure

131. The bids for the latest capital refresh that have been generated by new and emerging issues developing over the last year are set out in the following paragraphs.

Public Realm

20mph zone - £1.2m (£1m 2014/15 and £200k 2015/16)

132. Investment is required for the completion of the borough-wide 20mph programme following the Council's commitment to become a 20mph borough to improve road safety and conditions for pedestrians and cyclists, set out in the decision of the Cabinet Member for Transport, Environment, and Recycling in October 2013.

133. The funding will be used to complete the signage programme which will ensure that all roads under the Council's control will have a 20mph limit by mid 2014. This programme will see the introduction of signs and lines only and will be accompanied by a 'hearts and minds' campaign around the safety benefits of lower speed limits.

Cleaner Greener Safer (CGS) - £5.640m (£1.88m each year 2021/22 to 2023/24)

134. This bid is to further support the Council's ongoing commitment to the successful CGS programme to deliver small scale environmental improvement projects and capital grants in response to local community needs. The addition of this bid means that an equivalent level of provision exists for these schemes in every year of the programme to 2023/24.

Cycling Infrastructure Fund - £2m (£500k per year from 2014/15 to 2017/18)

135. Capital investment is required to enable improved levels of investment in the borough's cycle infrastructure, particularly in the south of the borough where opportunities to attract funding from Transport for London and developers are more limited. The Council is determined that Southwark will become the most cycle friendly London borough and to achieve our increased modal share for cyclists and road safety targets, increased investment is required. The Council is committed to working with independent experts in cycle design to ensure that the infrastructure fund truly delivers the improvements that cyclists in the borough deserve.

Highways Flood Prevention - £2.450m (£245k per year for 10 years from 2014/15)

136. This proposal is for funding the replacement of defective highways drainage infrastructure across the Borough. The council has through its work with the Environment Agency identified that Southwark has 5 critical drainage areas in the Borough. This flooding is as a result of surface water (rain) and our means of managing surface water is through the current highways drainage system. The requested funding would allow for a systematic approach to replacement of gullies resulting in the reduction of the risk of flooding to properties and the reduction of standing water on highways.

Non Principal Road Programme Re-profiling - £10m (over 10 years from 2014/15)

137. The council is responsible for the maintenance and up keep of 323km of non principal roads in the borough. Depending on the road classification, between 16 and 18% of the network requires repairing.

138. The bid includes an annual increase of 200k during the programme period (i.e. to make it £2m over 10 years), to compensate for a reduction of 200k in highways maintenance revenue funding in year 2014-15. It also includes £4m per year to extend the existing agreed capital programme for non principal road resurfacing for two financial years 2022/23 and 2023/24

Principal Road Programme - £3m (£1m each year for 3 years from 2015/16)

139. The proposal is for a 3 year investment programme in the Principal 'A' Roads (generally identified as heavily trafficked / bus routes) in the Borough. The council is responsible for the maintenance and up keep of 32km of principal roads in the borough. 17% of the 'A' road network in Southwark requires repairing. Currently funding for 'A' roads is limited to £515k per year received from TfL. This level of funding does not approach the level of investment required to arrest the decline in the roads or to reach a condition of steady state. This funding will in conjunction with adopting a 'prevention is better than cure' approach produce revenue savings of 35k in each of the 3 financial years 2015-18, ensure over 100% more road is resurfaced than currently planned in financial years 2015/18.

Lamp Column Replacement Programme - £1m (£500k per year for 2022/23 and 2023/24)

140. The council is responsible for the maintenance and up keep of over 23,000 items of illuminated street furniture, over 16,000 of which are lamp columns. A

provision of £500k per annum investment in lamp column replacement currently exists until 2020/21. Addition of this bid means that an equivalent level of provision has been made for these projects in every year of the programme to 2023/24.

Burgess Park revitalisation - £6m (£2m per year from 2016/17 for 3 years)

141. The vision of this project is to create a 21st century park which will be recognised as a Metropolitan Park that is rich and bio diverse, a place for healthy living, fun and memorable for play, rooted in history and that is a sustainable exemplar park. The objectives to achieve this vision are to create a park with a strong identity, a park that is for everyone, a park that links with its surroundings (e.g. Camberwell) and one which is coherent with a clear spatial structure. This will be achieved by implementing the remaining phases of the revitalisation: a. refurbishing the southern entrance to include the purchase of the adjoining land and bringing that into the park; b. refurbishing Rust Square and linking this to the main park and Camberwell; c. improvements to secondary and tertiary entrances; d installation of MUGA and extension of sports pitches; e. creating safe park roads (Trafalgar Avenue entrance, Wells Way entrances).

Additional Replacement Tree Planting - £600k (over 10 years from 2014/15)

142. This proposal would increase the amount of planting to replace trees that are felled as a result of being dead, dying, diseased or dangerous. The council's adopted tree management strategy commits to replacing as many trees as possible. Current levels of resource enable between 100 to 150 trees per year to be replaced, and this proposal will increase that planting level to 200 to 350 trees per year.

Parks Infrastructure and Investment Programme - £10m (over 10 years starting from 2014/15)

143. This 10 year capital investment programme will support the replacement of Park and Open Space Infrastructure and the renewal of sites in need of investment. The proposal relates to lighting and electrical systems, footpaths and hard surfaces, boundary and retaining walls, drainage and flood alleviation systems and general renewal for priority sites in need of investment. This investment programme will halt the decline of parks infrastructure, reduce the need for ad hoc maintenance and enable investment to be made in sites where needed over the next 10 years.

Monument & Memorial Programme - £900k (over 10 years starting from 2014/15)

144. There are 49 monuments and memorials which are war related and / or over 1.8mts high. Of these 17 have been identified by structural engineers as requiring remedial work. Works to be completed will include refurbishment of memorials including reforming of base plinths and reassembly with, in some cases, off-site casting of metal embellishments. This funding will ensure a phased investment in the Boroughs monuments and memorials making them safe, attractive and fit for purpose.

Investment in South Dock Marina Assets - £1m (£500 per year for two years from 2015/16)

145. Investment is requested to refurbish and upgrade condition of the marina. In February 2013 the council received a condition survey report of all the assets in South Dock and Greenland Dock which make up the Marina. It recommended that at least £1.5m be spent to refurbish some of the current assets and renew others which had become obsolete. Funding of £600k has previously been sanctioned and work has been prioritised and is ongoing at present. The requested investment of £1m will replace the lock gates and refurbish the sluices, dock walls and office systems. The additional investment will create assets in which the council and residents can be proud.

Culture Libraries Learning and Leisure

Further implementation of RFID in Libraries - £100k (2014/15)

146. This proposal is for the implementation of RFID / self service technology for remaining appropriate libraries, as the next phase of the libraries modernisation programme. This will enable the public to complete routine tasks such as issuing and returning library stock and making payment for fees and charges and improves the deployment of staff to deliver a more proactive customer service, and a wider programme of events and activities for the local community.

Refurbishment of Peckham Library - £550k (over two years from 2014/15)

147. The building opened in 2000 and to date has had over 5 million visitors. However, no major building maintenance programme has been undertaken to date. Funding is requested for essential replacement of roof, windows, and lifts as part of major refurbishment to prevent deterioration to the building. A full building condition survey will be undertaken to scope the works required.

Temporary Library at Elephant and Castle - £1.2m (200k in 2013/14 and £1m in 2014/15)

148. This capital bid is required for entering into a lease for the occupation of a 250m² library space within the Elephant Artworks development to ensure the continuous provision of library services at the Elephant & Castle following the Walworth Town Hall fire which has necessitated the closure of the Newington Library. The lease includes for a premium payment to meet upfront capital construction and fit out costs of £1,200,000 including 20% contingency.
149. Demand for the use of other Library facilities has increased since the closure of Newington Library with around 400 additional customers using the John Harvard Library on a daily basis which is creating additional pressures for the service and leading to delay and other frustrations for customers. This additional demand is creating extra costs including security. The loss of quiet space for use by students to undertake revision/homework [particularly at exam time] and access to IT facilities is a particular issue for the area which needs to be addressed in the short term. Therefore it has been a priority to identify an appropriate location for a temporary library

150. Following the closure of the Newington Library, Artworks is the preferred option for the following reasons:

- Located in a central location approximately 200m from the closed Newington Library and close to public transport links including bus stops on both Walworth Road and New Kent Road
- The available space can be configured to meet interim library design brief
- Available for five year tenancy which would mean continuous library service up until anticipated completion on the enhance library within the Walworth Town Hall in late 2018.
- Allows for an alternative library service to be provided within the shortest possible timeframe.

Cuming Museum fit out of temporary premises - £75k (2014/15)

151. The Cuming Museum was located in Walworth Town Hall and as a result of the fire in March 2013; all 3 of its public galleries, the education room and the staff accommodation were severely damaged. To date, a limited programme of community outreach has been delivered by the Museum staff but there is an urgent need for the Cuming Museum to reinstate a public service within temporary premises whilst the Town Hall building is restored and rebuilt. Options to rent space at Chumleigh Gardens are being progressed and this capital funding proposal would enable the fit out of these premises, including IT costs, furniture and fittings for the visual display of information, secure display of a very limited selection of artefacts, overall premises security and other works to support the provision of an accessible public service. Some additional costs to support the re-provision of the public service may be met by Insurance but the exact nature of this is yet unknown.

Legacy investment - £1.5m (over two years from 2014/15)

152. Further investment programme is requested for additional works to several Legacy Projects. This includes funding toward phase 3 of the Herne Hill Velodrome project (New Pavilion Building), Homestall Road Sports Ground Phase 3 Project (New pavilion) and Grass Pitch improvements at Southwark Sports Ground.

Southwark Park Athletics Track - £2.630m (£2.13m in 2014/15 and £500k 2015/16)

153. Investment is requested for the refurbishment of the existing building at Southwark Park Sports Complex to provide suitable changing and ancillary facilities to support athletics development and the needs of Southwark Park users. The facility is currently in poor condition both internally and externally, and does not deliver in terms of what would be expected of a community sports facility.

154. Usage figures of this facility are dropping. In the first quarter of 2013 only 95 attendances were recorded.

155. External funding has been secured for the refurbishment of the athletics facilities (track and field), and the building refurbishment will compliment this by providing quality supporting facilities. The site, following investment, will focus on grass-roots athletics and the development of a Southwark athletics club. Sports

development activities will be led by Southwark's Athletics Activator. There is also an aspiration for the facility to deliver a disability sports programme. Overall £3m will be required of which £370k has already been allocated as part of the OLF programme.

156. Funding will enable the delivery of a refurbished pavilion including changing facilities for athletics and for sport in the park, specialist athletics coaching facilities and a small gym focusing on support athletics training.

Rolling refurbishment programme of leisure and sports facilities - £1.350m
(£150k per year for next 9 years from 2015/16)

157. This will provide continued essential refresh capital works at leisure centres to protect the recent investment made in the building stock over the past few years. The Council has invested significant sums of capital money in leisure facilities. In order to ensure the quality standards of facility provision are maintained it will be important to refresh the facilities as they move away from their refurbishment phase.

Modernisation of Adult Learning Services at Thomas Calton Centre – ICT works - £150k
(2014/15)

158. The adult learning service is bidding for capital funding to provide improvements to, and to upgrade ICT assets and online provision at the Thomas Calton Centre. The new Ofsted inspection framework requires providers to prove the good use of information Learning Technologies. The funding being asked for would be used to 1) Replace the old server 2) Replace the existing learner network computers and add additional computers to the network to enable access to ICT in all classrooms and open-access in the three halls (providing additional computers/access points). The replacement of ICT systems is essential in order to pass the new Ofsted criteria and inspections. Non-compliance with Skills Funding Agency standards potentially puts funding of up to £2 million at risk.

Sustainable Services

Energy efficiency capital investment programme - operational estate - £2.5m
(£250k each year for next 10 years from 2014/15)

159. Since 2009, the Salix invest-to-save fund has been used to carry out energy efficiency improvements to our operational buildings across the borough. In total, over £420K has been spent from this revolving fund and this has delivered savings of 392 tonnes of carbon per annum. This work, along with the Council's modernisation programme, where many of our older buildings have been decommissioned has resulted in excellent progress towards our target. To date, carbon emissions from the operational estate have reduced by 20.6%. Whilst the Salix fund has been useful in reducing energy use to date, the constraints of the scheme (all costs associated with an energy efficiency project must be repaid within five years through lower energy bills), means that the scheme cannot be used for larger, more costly projects. To improve the energy efficiency of our remaining stock, we now need to undertake more expensive work such as boiler and window replacements. Whilst this type of work provides excellent improvements in energy efficiency, the pay back period will exceed the five year condition required by Salix. A capital fund is therefore requested to allow the works to progress and to meet the 2016 target.

Chief Executive's Department

Revitalise Camberwell Regeneration projects- £3.126m

160. To form part of the Revitalise5 Camberwell regeneration programme, three priority projects are proposed. Firstly to prepare for the creation of a formal southern entrance to Burgess Park. To facilitate, this it is proposed to bring a number of key properties back into council ownership. A revitalised entrance to Burgess Park will create a far more welcoming point of arrival and provide stronger connections between Camberwell and Burgess Park.
161. The second project is the revitalisation of the Benhill nature garden and restoration of the Pied Piper mural. Funding has been committed however is insufficient and funding is sought to bridge the funding gap.
162. The third project is the final stage of the Camberwell Leisure Centre refurbishment to improve the setting of the Leisure Centre. This will comprise streetscape improvements and reconfiguration of the internal cafe layout. The revised layout will provide an entrance to the cafe from Artichoke Place and be complemented by public realm improvements and the creation of an outdoor seating area.

Revitalise Peckham Rye Park - £995k

163. Funding has been allocated for the rebuilding of the Peckham Rye Playroom (also known as One O'Clock Club), but a number of linked projects are necessary to enable the project to go ahead. The existing playroom and associated play area needs to be demolished and landscaped so that a safe, clear site remains after the Playroom relocates, re-provision of the changing rooms which are currently accommodated in containers at the back of the cafe and a new 'Superplay' area will be provided on the site previously occupied by the changing containers which will also incorporate the refurbishment of the existing play area next to the cafe. This represents significant improvements to the facilities at Peckham Rye Park.

Elephant and Castle Open Spaces - £5.960m

164. The on-going regeneration of the Elephant and Castle Opportunity Area is making significant progress in the delivery of new homes, jobs, leisure centres and securing investment in to major infrastructure improvements. This project will seek to ensure the network of existing parks and open spaces within the Opportunity Area are also brought up to a Central London standard ensuring that they meet the needs of the existing and future community along with ensuring value growth for Southwark's assets. At present the Elephant & Castle has a deficiency in open space provision and therefore this project will ensure that the open space that is available is of the highest quality.
165. This capital bid will secure the transformation of open spaces and the key pedestrian connections between them during a four year programme of improvement. The parks and open spaces to be enhanced will be within the Elephant and Castle Opportunity Area. The programme for improvement will be approximately three years, including the required design, consultation and planning period.

Investing in Local Retail Environments Phase 2 - £2m

166. Phase 2 would specifically target those parades on the borders of regeneration areas. The shopping centres and retail offices of areas such as Elephant and Castle, Canada Water, Camberwell and Peckham are all attracting investment which leaves parades on the fringes such as Harper Road, Lower Road, southern end of Walworth Road, Camberwell Road (including the premises of the current library), Peckham High Street, southern end Rye Lane etc. vulnerable to increased competition.
167. There are also a number of secondary parades that are important in serving the local community, particularly the elderly and less mobile such as Brayards Road, Tower Bridge Road, East Street and others that that were not part of Phase 1, that would benefit from investment and support the local community.

Council void shop improvements and council-owned parade enhancement - £2m

168. The intention is to build on the success of the Investing in Local Retail Environment (ILRE) programme by ensuring that all council voids comply with health and safety regulations.
169. We learnt from ILRE that a number of issues were evident in many of the units including the need to ensure that electrical installations complied with up-to-date standards; repair to residential access above that caused water ingress in the commercial units; the discovery of asbestos in ceiling and floor coverings that required remediation; and unexpected structural works on some of the older properties.
170. Whilst some of the costs could be potentially be a third party responsibility, there is an argument that further burdening small traders with these works would adversely affect their viability. Also especially where there are residential properties above parades, the council has a duty of care to ensure that the residents are safe.
171. Where a void is in a council-owned parade, the concept is to improve all the premises creating an exemplar property portfolio. It is estimated that 20 units p.a. would be enhanced under this programme.

Walworth Town Hall - £20m

172. The purpose of this project is to rebuild the Walworth Town Hall following the fire that occurred in March 2013. The project seeks to enhance the previous building through delivering the high level vision approved by Cabinet in July. A financial settlement will be reached with the insurance company regarding the cost of the Town Hall reinstatement however additional funding will be required in order to deliver the enhancement.
173. A newly designed and modern facility will address many of problems experienced in the previous building such as poor accessibility, no lift access and significant office accommodation that could not be used for community facilities. The pressure to deliver this work and re-provide the Walworth Town Hall is borne from the need to provide the important council services such as the library within a central Elephant and Castle location and also from public response following the fire itself.

Walworth Road ~ The Missing bit of the Jigsaw - £2.850m

174. The proposal is to rejuvenate the southern end of the Walworth Road to create a vibrant and sustainable high street linking a number of high profile regeneration initiatives such as Burgess Park and Aylesbury with Elephant and Castle.
175. This programme of work will see total investment package of £5.25m in the public realm which includes £2.4m already budgeted within the Aylesbury programme budgets and match funding of £2.65m secured for the overall scheme. The programme proposes the extension of the award winning public realm treatment completed at the northern end of the Walworth Road to the area between Merrow Street and Albany Road. It also seeks to integrate the high street with the estate redevelopment programmes of the Heygate and Aylesbury and to upgrade the shop frontages thereby supporting traders and the trading environment.

Mint Street Adventure Playground - £2m

176. Mint Street Adventure playground and play building is a well used but dilapidated facility in the Borough area. The proposal is to rebuild Mint Street Adventure Playground and play building, integrating the facility with the adjacent park and surrounding urban environment and provide a facility fit for the future use of local children and their families.

Pullens Yards Fire Safety Works - £452k

177. The purpose of this project is to ensure there is adequate separation between the Pullens Estate commercial units in order they conform to current Building Regulation standards on fire safety. A recent Fire Risk Assessment of the common parts in the Yards raised concerns about the fire safety of these units and commented this issue could affect their future viability. The units are arranged in terraces of two storeys, constructed in brick with flat roofs. The units are vertically separated by brick walls which provide compliant fire resistance. The divisions between ground and first floor units are of wooden construction, some of which has remained unaltered since the premises were constructed in approximately 1870.
178. The proposed project requires a unit by unit assessment of the division between the floors and the enclosures around the wooden staircases providing access to the first floor units. If these divisions prove not compliant with current Building Regulation, it is recommended that adequate fire protection is put in place. This will mostly involve cladding the divisions with plasterboard providing the appropriate fire resistance. It is also proposed that electrical systems within units are renewed where necessary to ensure compliance as part of this program of works. These capital works will also increase the rental value of the units and make them more marketable when they become available to let.

New Capital Bids- Housing Investment Programme

179. The section below provides the summarised narratives for each of the capital bids in the Housing Investment Programme submitted for cabinet approval

Housing Stock Programme - £985m

180. This bid represents a housing stock capital programme which builds on the success of the Warm, Dry and Safe strategy. This strategy took the majority of the stock to the minimal Decent Homes standard and to deal with those blocks which were at substantial risk following the Fire Risk Assessments. Any future programme will need to have a full consultation exercise carried out with residents. However this bid allows for a comprehensive refurbishment programme across the whole stock, based on a premise of a seven year cyclical external works programme including external and communal decorations. It will continue to maintain the WDS standard, beginning a cyclical decorations programme, tackling some of the key resident priorities that did not necessarily form part of WDS such as kitchens and bathrooms and tackling other known major repairs and works issues such as lifts, drains and water tanks ,obviously all subject to resident consultation.
181. The bid allows for a programme of internal refurbishment of bathrooms and kitchens to a 30 year cycle for bathrooms and a 20 year cycle for kitchens and includes for some 'catch up' of the programme in early years. In key areas such as lifts, district heating and existing entry phone systems, the emphasis will be on bringing these to modern standards as opposed to just maintaining the systems and keeping them in working order. There is also provision for a substantial programme of replacements for individual boilers.
182. The bid also includes a programme to bring a substantial proportion of the properties which are at 'moderate' risk following FRAs, to 'tolerable' levels.
183. Provision has also been made for works to areas which have not been targeted for some time such as drains and water tanks. In addition the bid included provision for possible match funding required should any environmental grant funding become available.

Housing Regeneration

Direct Delivery of 1000 new council homes – forward funding of design and enabling works - £15.210m

184. Cabinet agreed the Phase 1 schemes in October 2012 and Phase 2 schemes on 22 Oct 2013. Most development activity will be covered by the Affordable Housing Fund, made up of in-lieu payments and RTB receipts. However, a degree of forward funding will be required where schemes are initially progressed prior to funding agreement by Planning Committee. This bid is to cover the forward funding of design and enabling works, including demolition works, across schemes on a recurring basis.

Direct Delivery of 1000 new council homes - Homes for Sale - £9m

185. Several of the schemes in Phase 1 and Phase 2 are located in wards where the Council's Core Strategy for planning requires new housing developments to include a minimum of 35% private housing. It is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required where the council is leading on the delivery of the private housing. The costs of development will be reimbursed by capital receipts when the homes are sold.

Sumner Road community facility - £1m

186. The Sumner Road scheme is part of Phase 1 of the Direct Delivery programme. It is envisaged that a community facility will be included in the housing development; it is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required for this purpose.

Acorn Estate community facility - £1.5m

187. The Meeting House Lane scheme has been agreed for inclusion in Phase 2 of the Direct Delivery programme. It is envisaged that a community facility will be included in the housing development; it is not possible to fund this activity from the Affordable Housing Fund; therefore alternative council funding is required for this purpose.

Hostels - New Provision - £4.541m

188. New short stay accommodation to meet homelessness obligations is being developed at Willow Walk as part of Phase 1 of the Direct Delivery programme. It is not possible to fund this activity from the Affordable Housing Fund. There is an existing capital provision of £3.859m; this bid is seeking to increase the available funding for Willow Walk to £6.9m. A further £1.5m is being sought to fund refurbishment of two existing buildings to increase the new provision of temporary accommodation.

East Dulwich Estate Regeneration - £4.639m

189. The East Dulwich Estate Regeneration scheme has been ongoing for several years and in March 2013 Cabinet approved a scheme overhaul to enable the final elements to be delivered. This bid is to seek funding for those elements, namely drying room conversions, works to void properties, and the refurbishment of Badminton House.

190. Drying room conversions. Disused drying rooms are being converted for sale to finance the refurbishment of the estate, which has largely been completed. The first phase of the work has started; it had been intended that the drying rooms were to be converted in tranches and forward funded from the HIP with sales receipts generated for the following tranches. Works are now being done in two phases, and further funding £1,659k is required.

191. Works to void properties. The disposal of void properties on the estate has been a major funding source for the refurbishment of the estate. Of the 50 voids for sale, 43 have been sold with the remaining 7 yet to be identified and refurbished. As the remaining 7 do not form part of the original allocation of voids that were non-tenanted when the refurbishment programme was being delivered, a further £17.5k is being sought in addition to the existing allocation to prepare the properties for sale.

192. Refurbishment of Badminton House. Badminton House is a five storey 11 unit blocks in the corner of East Dulwich Estate. In July 2013, Cabinet agreed to refurbish the block, convert the drying room into a 1 bed unit for sale and to sell two further units to generate a capital receipt towards the overall cost of the refurbishment programme. Funding of £1,650,000 is being sought for the refurbishment of Badminton House.

193. Given the complex nature of the regeneration scheme, a contingency budget of £931,157 is also required.

Acorn / Brimington Heating Network - £6.3m

194. The Acorn Estate boiler plant will be redeveloped arising from the disposal of the site of the former Wooddene block to Notting Hill Housing group for redevelopment. A scheme is being worked up to supply heat and hot water to the remaining properties by upgrading the boiler house at Brimington Estate, and connecting to Acorn through new mains laid in the highway. At the time of writing, an alternative approach is being explored which would involve joint working with Notting Hill Housing, who are developing the Wooddene site, but funding is being sought for the heat network solution.

Adaptations - £12m

195. Adaptations play an important role to help disabled and elderly people remain in comfort and safety in their own homes rather than having to go into residential care. Substantial savings could be made in other departmental funding where increased care packages, care home fees and hospitalisation costs would not be incurred. This also contributes directly towards meeting objectives of bringing all social housing up to a good standard and to the Department of Health's objective of improving people's health and well-being.
196. It was agreed that adaptations for council tenants would be funded from the Housing Investment Capital programme when the Housing Adaptations Team was first set up 10 years ago. This was to prevent making council tenants apply for Disabilities Facilities Grant (DFG) funding, which is means tested. Although DFG applications attract 40% CLG subsidy this is not payable on grants approved for council tenants and it is for this reason the vast majority of local authorities fund adaptations directly.

Energy Efficiency Measures for TRA Halls Estate - £2m

197. This capital bid, proposes to carry out a full energy audit of TRA Halls, including a full feasibility study on the possibility of installing energy efficiency measures such as photovoltaics, LED lighting and ground source heat pumps. Due to the wide variance of halls in terms of size, condition, use and location, it is difficult to quantify on the exact savings that could be delivered by this proposal. However, it is expected that significant savings could be delivered in the ongoing energy costs incurred by individual TRAs, along with repayment of the capital costs of installation.

Conversion of TRA Halls to Community Hub - £1m

198. This capital bid, proposes to invest in a state of the art Voluntary and Community Sector (VCS) hub to be shared by a number of VCS organisations and TRAs. It is proposed that a full feasibility assessment be undertaken to identify a suitable hub location that complements existing hubs.

Summary of New Capital Bids by Departments

199. The new capital bids detailed above are summarised in Appendix D and E for the General Fund and Housing Investment Programme respectively and the totals by departments are reflected in the table below:

Department	Total Capital Bids £000s
Childrens and Adult Services	28,000
Environment & Leisure	53,845
Chief Executive	39,383
Finance and Corporate Services	37,500
Total for General Fund (GF)	158,728
Housing Investment Programme (HIP)	1,042,279
Total GF and HIP	1,201,007

Capital Programme and Projected Financial Position 2013/14 to 2023/24

200. The projected capital expenditure profile including the new bids and the total resources currently expected for the period 2013/14 to 2023/24 is reflected in Appendix F and G for the general fund and the housing Investment Programme respectively and these are summarised in the table below:

	General Fund £000s	Housing Investment Programme £000s
Total Capital Programme Expenditure (2013/14-2023/24)	498,491	1,539,887
Totals Resources Expected (2013/14-2023/24)	459,417	911,680
Surplus/(Deficit)	(39,074)	(628,207)

201. As mentioned above, this position is based on the expenditure profile currently expected and may include some element of over programming which may need to be re-profiled into future years as the departmental schemes are progressed. The major source of funding for the capital programme is the council's disposals programme which generates significant receipts, and the funds currently expected from this source is incorporated into the above schedule. However, it is difficult to forecast with certainty on the total capital receipts expected beyond the next 3-4 years and it is expected that the total resources will increase once more assets are identified for disposals.

202. Regular and close monitoring of the capital programme will be required to ensure all commitments can be met from the anticipated resources and any funding shortfall expected in the capital programme will require other options to be considered such as borrowing, projects deferred or re-profiled.

Community impact statement

203. This report describes the current capital position on the council's capital programme. The projected expenditure reflects plans designed to have a

beneficial impact on local people and communities, which will be considered at the time the services and programmes are agreed. It is important that resources are used efficiently and effectively to support the council's policies and objectives.

204. Each project within the capital programme will be considered with regard to its impact on age, disability, faith/religion, gender, race and ethnicity and sexual orientation.
205. The council's capital programme is designed to deliver projects of value to local people.

Resource implications

206. This report forms part of the council's budget framework and outlines the current position on the capital programme.
207. Staffing resources are generally contained within the council's current establishments and where additional or specialist resources are needed these will be subject to separate reports.

Legal implications

208. The legal implications of this report are identified in the concurrent report of the Director of Legal Services.

Financial implications

209. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at Quarter 3 of 2013/14. The report also presents an updated position on the refreshed capital programme over the period 2013/14 to 2023/24 on the predicted resources and expenditure across this period.

Consultation

210. Consultation on the overall programme has not taken place. However, each of the individual projects is subject to such consultation as may be required or desirable when developed. Some projects may require more extensive consultation than others, for example projects with an impact on the public realm. Projects funded by grant or s106 may require consultation as a condition of funding.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

211. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.

212. The capital bids detailed in paragraphs 120–198 and the other capital bids agreed by recommendation 6 satisfies the council’s duty under the Local Government Act 1999 which requires it to make arrangements to secure the continuous improvement in the way its functions are exercised, by having regard to the combination of economy, efficiency and effectiveness.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 1 Capital Monitor Report to 17 September 2013 cabinet (Item 18)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4550&Ver=4		
Quarter 2 Capital Monitor Report to 19 November 2013 cabinet (Item 12)	160 Tooley Street London SE1 2QH	Paula Thornton 020 7525 4395
Link http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4552&Ver=4		

APPENDICES

No.	Title
Appendix A	General Fund summary monitoring position as at Quarter 3 2013/14
Appendix B	Housing investment programme summary monitoring position as at Quarter 3 2013/14
Appendix C	Budget virements and variations at Quarter 3 2013/14
Appendix D	General Fund – New Capital Bids
Appendix E	Housing Investment Programme- New Capital Bids
Appendix F	General Fund- Refreshed Capital Programme 2013/14-2023/14
Appendix G	Housing Investment Programme- Refreshed Capital Programme 2013/14-2021/22
Appendix H	General Fund Capital Programme 2013/14-2023/24 by schemes

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance, Resources and Community Safety	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services	
Report Author	Jay Nair, Senior Finance Manager, Finance and Corporate Services	
Version	Final	
Dated	6 March 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Legal Services	Yes
	Strategic Director for Finance and Corporate Services.	N/a
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	6 March 2014