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|------------------------------------|--------------------------------|--|----------------------------------|
| <b>Item No.</b>                    | <b>Classification:</b><br>Open | <b>Date:</b><br>September 29 2009        | <b>MEETING NAME</b><br>Executive |
| <b>Report title:</b>               |                                | Capital Programme 2008/09 Outturn Report |                                  |
| <b>Ward(s) or groups affected:</b> |                                | All                                      |                                  |
| <b>From:</b>                       |                                | Finance Director                         |                                  |

## RECOMMENDATIONS

That:

1. Executive note the outturn position for 2008/09 for the capital programme 2008 - 16 for both the General Fund and Housing Investment Programme and approve the reprofiling of spend and resources into the 2009 -16 programme.
2. Executive note the new and emerging pressures on the capital programme arising from issues of service demands, the recession, and the impact on the pace of regeneration schemes.
3. Executive request the Finance Director to submit a refreshed 10 year capital programme for approval to a future Executive meeting.
4. Executive agree to the substitution of a scheme at Goose Green School at an estimated cost of £1m for that currently programmed for Heber School within the Sure Start funded Children's Centre programme (paragraphs 38 - 39).
5. Executive note the £6m additional capital funding secured for the Burgess Park Revitalisation Project, and agree to this project being added into the capital programme 2009-16 (paragraph 72).
6. Executive note the allocation of the funds remaining from the original capital allocation of £12.3m for Leisure Centres for Seven Islands, Camberwell Leisure Centre, and Southwark Park Athletics Stadium (paragraphs 76 - 79).

## BACKGROUND

7. On the 13<sup>th</sup> February 2007, the Executive approved the 10-year capital programme for 2007-16. The 10-year programme continues as scheduled and includes projects that are within the remit of the Medium Term Resource Strategy and accord with local priorities as expressed through Southwark 2016, the new community strategy and the Corporate Plan.
8. The scope of the capital programme reflects the diversity of activities in which the Council is involved, with investment planned across the portfolio of assets controlled by the Council. Major investment is being made in housing, both within the Council's housing stock and for privately owned homes; in building new schools and improving existing ones; in improving the network of roads within the borough; in the provision of youth, community, and leisure facilities; in making Southwark's environment cleaner, greener, and safer; and in the facilities necessary to help us provide excellent services. In addition, the programme includes projects associated with the major regeneration plans for the Borough, such as at the Elephant and Castle.

9. At a current total budget of some £811m (general fund £451m and the housing investment programme £360m), with annual expenditure of well over £100m per annum, the 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 or do business here.
10. The 10-year capital programme seeks to optimise opportunities afforded from the regeneration of the borough over this time scale and brings together short, medium and long term plans for schools, housing, waste, libraries and leisure provision. Since 2007, some amendments have been made to reflect service pressures.
11. On 21<sup>st</sup> October 2008, the Executive noted the outturn position for the capital programme for 2007/08 for both the General Fund and Housing Investment Programme, and approved the slippage of spend and resources into the 2008-16 programme.
12. On 10<sup>th</sup> February 2009, the Executive noted the monitoring position for the capital programme 2008-16. At this point the total forecast spend on the General Fund programme was £510m, against total forecast resources of £506m. Executive also noted that the Housing Investment Programme had a total forecast spend of £304m, in line with the total resources available.
13. This report sets out the outturn position for 2008/09 for both the General Fund programme and the Housing Investment Programme (HIP). It also sets out the impact of the 2008/09 outturn on the budgets from 2009/10 onwards on those reported to Executive in the February 10<sup>th</sup> monitoring report.

## **KEY ISSUES FOR CONSIDERATION**

### **Resource Implications**

14. The Council's capital resources are comprised of Government supported borrowing and grant, resources from Section 106 agreements, planned capital receipts and revenue contributions.
15. Paragraphs 21 to 32 of this report note the current and emerging pressures on both the service demands on the existing capital programme and the resources available to fund the programme. In the light of these issues, the Finance Director is recommending to Executive as part of this report that a refreshed 10 year programme is prepared and recommended to Executive for approval.
16. As at 31 March 2009 the Council had accumulated cash balances of £97.4m to help fund the current capital programme, which are reported within the draft statement of accounts and represented as follows:
  - Capital Receipts Reserve balance     £41.9m
  - Capital Grants Unapplied balance     £55.5m(of which £14.77m relates to S.106)
17. These balances are committed against existing capital projects but were unapplied as at 31 March 2009. Full analysis of the projects these balances relate to will form part of the capital programme refresh work, recommended within this report. The bulk of unapplied capital grant relate to programmed schools work scheduled to take place in 2009/10 and beyond.

## 2008/09 Outturn

18. The table below shows the 2008/09 outturn for the General Fund and Housing Investment Programme against the planned expenditure for 2008/09. There was a variance of -£13.1m against the General Fund, and +£1.0m against the Housing Investment Programme. The variation is explained by the reprofiling of budgets across a range of programme activities, due mainly to the complexities of procuring contractual provisions across a programme of this size and thereafter the practicalities of contractor management and monitoring.
19. Total General Fund departmental expenditure was £67m against an original estimate of £80m. This remains the highest expenditure in a single year for the General Fund programme, which is a measure of the importance of the capital expenditure in the Council's financial activities.

| <b>DEPARTMENT</b>                               | <b>2008/09<br/>Forecast<br/>£'000</b> | <b>2008/09<br/>Outturn<br/>£'000</b> | <b>Outturn/<br/>Forecast<br/>Variance<br/>£'000</b> |
|---|---------------------------------------|--------------------------------------|---|
| <b>General Fund</b>                             |                                       |                                      |   |
| Children Services                               | 21,054                                | 18,589                               | (2,465)   |
| Deputy Chief Executives                         | 3,478                                 | 7,202                                | 3,724   |
| Environment and Housing                         | 25,484                                | 15,647                               | (9,837)   |
| Health & Community Services                     | 548                                   | 789                                  | 241   |
| Housing General Fund                            | 4,563                                 | 4,657                                | 94  |
| Regeneration & Neighbourhood<br>Major Projects: | 13,368                                | 8,850                                | (4,518)   |
| Southwark Schools for the<br>Future             | 9,991                                 | 9,991                                | 0   |
| Other major projects                            | 1,134                                 | 817                                  | (317)   |
| <b>Total General Fund</b>                       | <b>79,620</b>                         | <b>66,542</b>                        | <b>(13,078)</b>                                     |
| <b>Housing Investment<br/>Programme</b>         | <b>118,411</b>                        | <b>119,393</b>                       | <b>982</b>  |

20. The Medium Term Resource Strategy (MTRS) as approved by the Executive in December 2008, includes the aim to maintain a capital contingency of £5m, subject to the availability of resources. At the beginning of 2008/09 there was a balance on the capital contingency reserve of £2.7m; during the year there were no additions to or calls on this resource, and the reserve therefore remains at £2.7m. The capital contingency reserve exists to help meet the cost of urgent and unavoidable capital works. Release of these funds is subject to the approval of the Finance Director in consultation with the Executive Member for Resources. Proposals to increase the capital contingency to the target £5m will be included in the refreshed 10 year programme.

### Pressures on the Capital Programme

21. The capital programme is currently subject to three main pressures :
- Impact of the recession
  - State of development and regeneration market

- New and emerging services pressures

## **22. Impact of Recession**

23. The global recession is inevitably having an effect on the Council's capital programme on a number of fronts. Land and property values have generally fallen over the last 2 years. The radically reduced interest rates on investments available to the Council have had an adverse effect on the authority's investment income. Coupled with consequent gloom over market confidence the impact of the recession needs to be noted with regards to the Council's capital programme.
24. The current uncertainty of property values will affect planned capital receipts and therefore resources available to fund the programme. This in turn may reduce the level of resources needed to address the emerging pressures so represents a key financial risk in resourcing the capital programme moving forward.

## **25. State of development and regeneration market**

26. Market confidence has been affected by the impact of the recession and the downturn in land and property values. This has affected the disposals programme and hence has a marked impact on the resourcing strategy of the capital programme at large.
27. The pace of development with regards to a range of capital schemes already underway has slowed as a result of these economic factors so there is a need to reflect these changes within the refreshed capital programme, a major piece of work is now vital as a result of these changing circumstances.
28. The recession has also had an effect on individuals and businesses' access to credit which in turn impacts on their ability to complete property transactions.

## **29. New and emerging services pressures**

30. In addition to the adverse effects of the economic climate which is impacting on the timing of disposals to generate funding resources and their value, there are a range of new and emerging pressures on the capital programme that need to be addressed. These include:
  - Leisure centre refurbishment costs
  - The construction of the waste PFI resource park in the Old Kent Road
  - New primary school build and increased primary places (possible grant support)
  - ICT infrastructure and service improvements
  - Localities project opportunities
  - Community based development (e.g. Burgess Park; Camberwell Baths, Nunhead).
31. There are also some opportunities presented from within the existing programme to reallocate existing resources to some of the emerging priorities. For example, the programme estimates for housing renewal areas and for town centre improvements are being closely reviewed. This will enable the development of communities facilities in the Nunhead area to meet the needs of local residents and to allow for the development of underutilised sites in that area.
32. In order to encompass the emerging pressures and take stock of the existing capital programme, agreed in February 2007, the Finance Director advises that there is now an urgent need to refresh the 10 year programme with effect from 2009/10. This will allow the executive to map the direction of travel with regards to capital spending, assessment of the new pressures and hence take informed priority decisions.

## **Capital Programme 2009-16**

33. The current budgetary position for the capital programme 2009-16, including the effect of slippage and programme variations arising from the outturn position at the end of 2008/09, shows a total General Fund programme for 2009-2016 of £421m (Appendix A). The total forecast available resources over this period are £421m.
34. The current forecast position for the Housing Investment Programme for 2009-16, including the effect of slippage, is a total programme of expenditure and funding of £240m (Appendix B).
35. Paragraphs 37 to 85 below provide commentary on the capital programme for each service department.
36. Between the last monitoring report to Executive in February, and the outturn position, there have been a number of funded or agreed variations to the capital programme budgets, not least the addition of some £23m budget for the Primary Capital Programme that was agreed by Executive in March 2009. These have been included in the total budgets against which the outturn expenditure is set, so as to provide an up to date position of the budgets available at 1<sup>st</sup> April 2009. Commentary on these additions is included in the departmental commentaries below.

## **Comments on Capital Programme Outturn by Service**

### **General Fund**

#### **Children's Services**

37. The Children's Services department capital programme is focused primarily on delivering wherever possible improvements to the primary estate within the constrained level of resources available for this sector, following approval by the DCSF to the Council's Primary Strategy for Change. The Primary Capital Programme was approved by Executive at its March 2009 meeting, including an update on the three major projects already under way at Eveline Lowe, Southwark Park and Michael Faraday schools for which resources of some £32m had previously been allocated. Proposals for a further programme of schemes totalling £23.7m to be funded primarily by additional capital grant resources from DCSF were also agreed for inclusion in the Council's 10 Year Capital Programme, with a further £2m subject to anticipated funding. The Council also undertook the refurbishment of Langbourne Primary School to enable the new Harris Boys Academy to open in temporary premises, using DCSF grant. It will open in a new building under construction in East Dulwich in 2010.
38. The Children's Centre (CC) programme is also progressing with further schemes now completed at Crawford, Rye Oak, and Ivydale. Schemes at Bessemer Grange, Redriff and Gumboots will be completed this financial year and discussions are currently taking place with Governors at Goose Green with regard to the development of a Children's Centre at that School. The scheme to develop a centre at Goose Green will require capital expenditure of some £1m. This will replace the similar scheme currently included in the capital programme for Heber school.
39. Funding for the Goose Green scheme will primarily be provided via Sure Start capital grant which can only be used for the development of Children's Centres. Executive's formal approval to the virement from the Heber project is, however, required under Financial Standing Orders. A programme of capital improvements to early years

facilities in the private, voluntary and independent sectors is also being developed for implementation in stages by March 2011.

40. A further programme of schemes is being progressed to deliver improvements to Youth facilities. These include significant contributions to the Council's high profile developments at Canada Water library, Belair and Camberwell Leisure Centre. Additional funding has also been provided to the Council under the Playbuilders initiative to undertake a programme of improvements to play facilities across the borough.
41. The reasons for the increased costs on the Children's Centre project at Bessemer Grange were reported to Executive in February 2009. At that stage it was proposed that the projected shortfall of funding be addressed by re-examining the scheme design, by identifying an element of the scheme costs which could be funded from the Primary Capital Programme and by exploring with DCSF whether additional grant resources might be made available to fund this scheme. The Director of Children's Services can now confirm that this scheme can be fully funded without recourse to Council resources as a result of approval from the DCSF to the reallocation of additional Sure Start capital grant to this scheme, by agreement from the School Governors to a contribution from devolved formula capital and by agreement to the allocation of resources of £925,000 from the Primary Capital Programme by Executive in March 2009.

#### **Deputy Chief Executive**

42. The major capital project for DCE has been the development of 160 Tooley Street involving the relocation of 2,000 back office staff from buildings across the borough, giving the Council the chance to introduce more modern, flexible and environmentally friendly ways of working (e.g. reducing car journeys) and will result in savings on administration. This will be followed by a gathering of staff that work with the public into modern hubs in the community. The moves will allow residents to access different services at the same location.
43. These changes will be self financing and may give rise to additional contributions to corporate resources as the Council will be selling a number of buildings as well as making better use of existing buildings to support improvements to local service delivery. This will bring in some £35 million of capital receipts to support existing and future projects across the borough. The Council will also forgo expenditure by not having to spend money to modernise old, not-fit-for-purpose buildings.
44. Information Services (IS) projects are reported in this section, although they have now moved to Finance Management Services. IS had an underspend against planned capital expenditure, which relates to projects which are complete, subject to strategic review or to be carried over into 2009/10. The IS Strategy is currently being implemented to deliver further modernisation and infrastructure requirements in conjunction with the Office Accommodation Strategy and the Council's Modernisation Agenda.
45. The capital programme for Property is also reported in this section, although it has now moved to Regeneration and Neighbourhoods. Some of the variances relate to minor underspends against 2008/09's budget, which is being reprofiled to spend in 2009/10. The outturn programme variation of £90k relates to capital expenditure which has been recovered from receipts on disposal.

## Health and Community Services

46. Additional capital funding of £354k was available in 2008/09. This was from:

|   |            |
|---|------------|
|   | £k         |
| ICT Capital Grant                       | 259        |
| Integrated Children's Services IT Grant | <u>95</u>  |
| Total                                   | <u>354</u> |

47. Other projects already within the Health and Community Services capital programme include the following:

48. Cherry Garden Street – This development has been instigated to meet the need to relocate The Grange Project for Learning Disability service users.

49. The timescale for completion is 14th May 2010. The 18 week construction phase is due to start in early September 2009.

50. Major issues associated with this project include:

51. Car Park – This issue is crucial to the success of the project. At present there is a large car park adjacent to the building. The car park belongs to the building and has been used for staff car parking. Local residents who hold parking permits also use the car park on an informal basis. The service will need sufficient space to park 9 mini buses and 2 visitor parking bays. The car park will need to be gated to make the vehicles safe at night. The car park is large enough to accommodate service needs and to have space left over for use by the community however adapting the car park in this way will be expensive and it will not be possible to fund this work from our £300k envelope.

52. Service Engineer's Report – The building is 17 years old. A service engineer has been engaged to check that essential services are working and are adequate for the refurbished building.

53. Risks associated with this project in terms of time and budget continue to be the outcome of the service engineer's survey and the public response to the planning process and loss of use of the car park by local residents.

54. Aylesbury Resource Centre (ARC) – The Aylesbury Day Centre for adults with physical disabilities is sited within the Aylesbury regeneration area and is due for demolition within the next year. Capital funding has been allocated for a new purpose-built facility and building work has commenced.

55. Management of the project was handed over from Regeneration to Health & Community Services in July 2009.

56. The timescale for completion is Oct/Nov 2010. The site is being cleared but there is an issue with Virgin Media cables which has prevented progress.

57. The development has been subject to other delays 1) due to it being dependent on the progress of Phase 1a of the Aylesbury redevelopment and 2) due to the gap between the appointment of the new project manager and the handover to H&CS.

58. A risk associated with the project is the risk that the cost of ARC exceeds budget due to necessary changes to the original design and to the physical delivery of site A.

These will be managed by the project manager controlling costs and a clerk of works ensuring that the construction is in line with the ARC's quality requirements.

## **Major Projects**

59. The Southwark Schools for the Future programme will deliver a transformation in the Council's Secondary School estate. Financial closure on Southwark's £200m local education partnership (LEP) agreement to deliver this programme was achieved in May. The programme will produce seven secondary school rebuilds, two brand new schools and four building refurbishments across Southwark.
60. During 2008/09 the first of the SSF schools (Walworth Academy) started on site and is progressing to expected timetable. Preparatory work and site investigation occurred on two further SSF schools – Tuke & St Michaels.

## **Regeneration and Neighbourhood Renewal**

61. The budget of £23m is largely funded by Transport for London (TfL) to implement various local transport schemes. The funding by TfL reflects the council's key priorities identified in the local implementation plan; the ambition to improve road safety; reduce traffic speeds and encourage greener and more sustainable mode of transportation in the borough.
62. Regeneration & Neighbourhood department implemented various projects aimed at achieving the above objectives. These include safety scheme on Peckham Rye, improvement on 20mph zones across the borough; cycle training for people living, working, and studying in Southwark and continued support for community-led transport projects.
63. The department is also leading the council's ambition to improve major town centres in the borough. The "Improving Local Retail Environment" (ILRE) is a £4.2m investment programme aimed at improving 24 local retail areas across three community council areas (Borough & Bankside, Peckham and Nunhead and Dulwich). The programme's key objective is to support the commercial viability of local shopping areas through environmental improvements; trader empowerment and continued business support.
64. The final accounts on 56 Southwark Bridge Road are now complete and the additional resource requirement of £1.26m (in line with February 2009 Executive report) is included within the overall departmental Capital Programme budget variation of £2.5m.
65. 56 Southwark Bridge Road is currently occupied by Leonard Cheshire Disability on an initial 5 year lease with the option to extend to 20 years in 2010. The building will be run by Leonard Cheshire as a centre for media and broadcast skills training combined with provision of 30 hours per week of use of a community event space within the building free to the Council at the point of use. The day-to-day management of the community facility will be Leonard Cheshire's responsibility, with oversight and governance from steering committee comprised of Council and community representatives to ensure use by priority user groups contained in the service specification.

## **Environment and Housing**

### **Environment**

#### **66. Sustainable Services**



67. The 2008/09 outturn forecast as at February 2009, indicated an overspend of £1.8m, mainly due to unavoidable gas pipe diversion and remediation works at the Old Kent Road site. A live gas pipe was found on site and money earmarked for road construction works has been used to enable the gas pipe to be moved.
68. At the time of the PFI waste contract close in February 2008, a number of unknown costs were omitted from the contract to ensure the Council did not pay Veolia (Waste PFI partner) significant amounts for works that may not be required. Issues still remaining to be resolved are architectural enhancements, as required by the planning authority and other costs through s106 with both LBS and TfL.
69. The planning application for the waste facility was successful on 8<sup>th</sup> September 2009. However, it is not yet possible to accurately estimate the additional funds required as the contract process for agreeing risks and costs has yet to be completed. It is estimated that negotiations will be completed within the next three months, now that planning approval has been obtained.

## **70. Public Realm**

71. Both CGS and Projects teams are on track to deliver their programmes on time and within budget. There has been a step improvement from previous years in the quality, number of projects delivered and time for delivery. Since April 2003 the CGS programme has received capital funding totaling £18,253,000, of this £11,544,397 has been spent or committed by March 2009 and 619 of the approved 911 schemes have been completed. 93% of schemes approved before April 2007 have been completed. In 2008/09 220 projects were completed with an average completion time of 44 weeks compared to 104 projects completed in an average 55 weeks in the previous financial year.
72. Burgess Park Revitalisation Project - We were successful in obtaining £6m towards the redevelopment of Burgess Park. £2m was awarded from the Mayor of London as part of the Premier Parks Scheme, for which Burgess Park came top and £4m from the Aylesbury NDC. We are currently going through the procurement process to contract a company to undertake the first phase of works, which is due to begin by Autumn 2010. Five organisations were invited to submit their tenders on 7th September 2009 and will be presenting their submissions on 26th September. These tenders are currently in the process of being assessed, after which two will be shortlisted and will then go out to public consultation. Final decisions on the winning organisation will be announced in November 2009.

## **73. Culture, Libraries, Learning & Leisure**

74. The refurbishment of Surrey Docks Watersports Centre commenced on 23 February 2009. The work is progressing well and the centre is expected to become operational at the beginning of December 2009.
75. Dulwich Leisure Centre: Full planning approval for the scheme was received in February 2009. However, the start of the Phase 1 works (creation of new entrance building, studio suite, wet side changing areas and pool refurbishment) was delayed until July 2009 owing to removal of asbestos found on site. The Phase 2 works are due to commence in June 2010 and will bring about a refurbished gym hall, new dry side changing areas, restoration works to the existing East Dulwich Road entrance building, and finalisation of all remaining areas across the centre. The entire project is due to complete in January 2011.

76. It is proposed that the funds remaining from the original capital allocation of £12.3m for Leisure Centres be allocated as follows:
77. Seven Islands Leisure Centre - £158k – To set aside £158k as match funding for an application to the second phase of the Free Swimming Capital Fund. An application for £500k has already made and this match funding is likely to help the application succeed. The funds will be used to bring the training pool back into operation and improve the wetside changing rooms (which are currently very dilapidated). This will make a significant difference to the customer experience of swimming at Seven Islands.
78. Camberwell Leisure Centre - an additional £500k – The allocation of a further £500k to the Camberwell Leisure Centre project will enable the Council to refurbish the gym and gym changing facilities as well as the pool. This will allow the centre to offer a greater service mix to customers and (importantly) increase gym memberships which are the main source of income for leisure centres. Our contract with Fusion means a proportion of increased income returns to the Council.
79. Southwark Park Athletics Stadium – an additional £500k – The current allocation from the Council is £600k. The proposal for refurbishment of the facility has planning permission and the Council is making funding applications for approximately £3.5 million of external funding to contribute to the project. However, this still leaves a gap of £1 million which we hope to bridge with an additional allocation of £500k from the Council and a bid for the remaining £500k to the Mayor's Olympic Legacy Fund. The details of how to apply to the fund will not be known until later this year but a commitment from the Council to this additional £500k will make it more likely that our bid will be successful.

### **Housing (including the Housing Investment Programme)**

80. The higher than anticipated outturn reflects the high level of contractual commitments in the 2008/09 housing investment programme from the outset, following significant slippage in the previous year's contracts. These high commitments added to the considerable pressure on HRA resources in the year arising from the increased funding requirements of corporate projects, and the reduced level and delayed realisation of capital receipts due to the unfavourable economic climate, particularly those related to major projects. At the year end there was therefore a requirement to re-profile resources from future years, including increased use of MRA reserves.
81. Outturn was however close to the figures last reported to the Executive meeting on 10 February. The general fund outturn was slightly (£0.1m) higher than forecast due to continued high demand for Disabled Facilities Grants, partly funded from an increased allocation of central government grant. The HRA outturn (excluding the major projects acquisitions programmes) was also slightly (£0.8m) above forecast, with a significant increase in regeneration scheme expenditure largely offset by a reduction in Decent Homes and associated works.
82. Funding from the Housing Investment Programme has been used in part to fund leasehold acquisitions in support of the Council's regeneration programmes to improve the quality and supply of housing. The Council will be continuing to address decent homes needs and increasing requirements for health and safety, and to begin to address these needs, a bid has been tabled requesting £5m per annum across a three year medium term in support of the decent homes programme across the borough
83. The expenditure and budgets for the leasehold acquisitions programmes, and the New Deal for Communities, has been included in the Housing Investment Programme totals

within this report (see Appendix B). In previous reports to Executive these have been classified under the Major Projects department's totals.

84. Elephant & Castle – Heygate – During 2008/09 a further 57 leasehold properties were acquired on the Estate. This brings the total number acquired since September 2007 to 67 leaving a balance of 44 leasehold properties to be acquired at 1<sup>st</sup> April 2009. The total expenditure on the 57 properties was £8.531m.
85. Aylesbury – During 2008/09 a total of 52 leasehold properties were acquired for a total expenditure of £8.394m. Of this the Aylesbury New Deal for Communities programme contributed £7.877m.

## COMMUNITY IMPACT STATEMENT

86. This monitoring report is considered to have no or a very limited direct impact on local people and communities, although of course the capital programme itself will deliver significant enhancements to the amenities and infrastructure of the borough.

## LEGAL IMPLICATIONS

87. The Capital Programme 2008-2016 satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.
88. The Council has a duty under the Local Government Act 2000 to prepare a community strategy for promoting or improving economic, social and environmental well-being of the council for the achievement of sustainable development. The Southwark 2016 community plan satisfies this duty.
89. By agreeing the recommendations in the report the executive will demonstrate that it has made adequate arrangement for the proper administration of the council financial affairs.

| Background Papers  | Held At       | Contact                         |
|--|---------------|---------------------------------|
| Policy and Resources: Capital Programme 2007-16<br>Executive Report 13 February 2007 | Tooley Street | Le Cheung<br>Extension<br>54300 |
| Policy and Resources: Capital Programme 2007-16<br>Executive Report 29 January 2008  | Tooley Street | Le Cheung<br>Extension<br>54300 |
| Policy and Resources: Capital Programme 2008-16<br>Executive Report 10 February 2009 | Tooley Street | Le Cheung<br>Extension<br>54300 |

## APPENDICES

| No.        | Title                                |
|------------|--------------------------------------|
| Appendix A | General Fund summary                 |
| Appendix B | Housing Investment Programme summary |

## Audit Trail

|   |   |                   |
|---|---|-------------------|
| Lead Officer  | Duncan Whitfield, Finance Director          |                   |
| Report Author   | Jennifer Seeley, Assistant Finance Director |                   |
| Version   | Final to Executive                          |                   |
| Dated   | 18 <sup>th</sup> September 2009             |                   |
| Key Decision?   | Yes   |                   |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b> |   |                   |
| Officer Title   | Comments Sought                             | Comments included |
| Strategic Director of Communities Law and Governance                      | Yes   | Yes               |
| Finance Director  | Yes   | Yes               |
| List other Officers here  | -   | -                 |
| Executive Member(s)   | Yes   | No                |
| Date final report sent to Constitutional Support Services                 | 18 <sup>th</sup> September 2009             |                   |

## GENERAL FUND

| DEPARTMENT                       | Total Budget Available as at 01/04/2008<br>£'000 | 2008/09 Outturn Programme Budget variations<br>£'000 | Revised Total Budget Available as at 01/04/2008<br>£'000 | 2008/09 Outturn<br>£'000 | Total Budget Available as at 01/04/2009<br>£'000 |
|----------------------------------|--|--|--|--------------------------|--|
| Children Services                | 57,014   | 27,270   | 84,284   | 18,589                   | 65,695   |
| Deputy Chief Executive           | 28,969   | 90   | 29,059   | 7,202                    | 21,857   |
| Environment                      | 70,311   | 5,514  | 75,825   | 15,647                   | 60,178   |
| Health & Community Services      | 6,216  | 354  | 6,570  | 789                      | 5,781  |
| Housing General Fund             | 20,459   |  | 20,459   | 4,657                    | 15,802   |
| Regeneration & Neighbourhood     | 22,958   | 2,496  | 25,454   | 8,850                    | 16,604   |
| Major Projects:                  |  |  |  |                          |  |
| Southwark Schools for the Future | 231,225  |  | 231,225  | 9,991                    | 221,234  |
| Other major projects             | 14,188   |  | 14,188   | 817                      | 13,371   |
| <b>TOTAL SPEND</b>               | <b>451,340</b>                                   | <b>35,724</b>  | <b>487,064</b>   | <b>66,542</b>            | <b>420,522</b>                                   |
| <b>FINANCED BY:</b>              |  |  |  |                          |  |
| Corporate Resource Pool          | 168,294  | (1,153)  | 167,141  | 26,358                   | 140,783  |
| Supported Borrowing              | 2,632  | 2,419  | 5,051  | 5,051                    | 0  |
| Reserves & Revenue               | 5,543  | 3,212  | 8,755  | 1,133                    | 7,622  |
| Capital Grants                   | 266,003  | 28,833   | 294,836  | 32,937                   | 261,899  |
| Section 106 Funds                | 6,718  | 294  | 7,012  | 1,063                    | 5,949  |
| External Contributions           | 2,150  | 2,119  | 4,269  | 0                        | 4,269  |
| <b>TOTAL RESOURCES</b>           | <b>451,340</b>                                   | <b>35,724</b>  | <b>487,064</b>   | <b>66,542</b>            | <b>420,522</b>                                   |
|                                  |  |  |  |                          |  |

## HOUSING INVESTMENT PROGRAMME

| DEPARTMENT                        | Total Budget Available<br>as at 01/04/2008<br>£'000 | 2008/09 Outturn<br>£'000 | Total Budget Available as at<br>01/04/2009<br>£'000 |
|-----------------------------------|---|--------------------------|---|
| Decent homes and associated works | 191,227   | 51,851                   | 139,376   |
| Landlord obligations              | 42,109  | 13,662                   | 28,447  |
| Regeneration schemes              | 59,037  | 30,301                   | 28,736  |
| Other                             | 12,155  | 3,051                    | 9,104   |
| Aylesbury Acquisition Programme   | 23,311  | 8,394                    | 14,917  |
| Heygate Acquisition Programme     | 22,269  | 8,535                    | 13,734  |
| New Deal for Communities          | 9,578   | 3,599                    | 5,979   |
| <b>TOTAL SPEND</b>                | <b>359,686</b>                                      | <b>119,393</b>           | <b>240,293</b>                                      |
| <b>FINANCED BY:</b>               |   |                          |   |
| Corporate Resource Pool           | 108,157   | 28,076                   | 80,081  |
| Supported Borrowing               | 37,578  | 12,526                   | 25,052  |
| Reserves & Revenue                | 78,965  | 15,733                   | 63,232  |
| Capital Grants                    | 24,453  | 13,114                   | 11,339  |
| Section 106 Funds                 | 266   | 71                       | 195   |
| Major Repairs Allowance           | 108,586   | 49,873                   | 58,713  |
| External Contributions            | 1,681   | 0                        | 1,681   |
| <b>TOTAL RESOURCES</b>            | <b>359,686</b>                                      | <b>119,393</b>           | <b>240,293</b>                                      |
|                                   |   |                          |   |