

Item No. 13.	Classification: Open	Date: 19 July 2016	Meeting Name: Cabinet
Report title:		Capital Outturn Report for 2015-16 and Capital Programme Refresh for 2016-17 to 2024-25	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE

As we continue to deliver on our fairer future promises the council made a total of £314.26m capital investment during 2015-16 as set out within detail of this report.

This included £70.66m General Fund expenditure on new and upgraded public infrastructure such as the new Castle Leisure Centre, Camberwell Library and The Green community centre and major investment in our schools to create 345 new primary school places to meet the needs of local families.

Further, our fairer future promise for quality, affordable homes is being met through an investment of £243.6m in the housing investment programme this year. This significant investment has ensured that the proportion of council homes meeting decency standards has risen to 91.3%; we have provided 1,200 council homes with a new kitchen and/or bathroom; we have build 75 new council homes at Willow Walk and now have 194 further council homes under construction with an approved pipeline of over 1,200 council homes by 2018.

Looking forward, this commitment to investing in Southwark’s council homes, infrastructure, schools and communities is continuing with our ongoing ambitious capital investment programme.

RECOMMENDATIONS

That cabinet:

1. Notes that during 2015-16 there was a capital investment in the borough of £70.66m for General Fund and £243.6m for the Housing Investment Programme (HIP). This represents a 44% increase in investment in housing when compared to previous years.
2. Notes the 2015-16 capital investment in delivering the fairer future promises set out below (paragraphs 12-20).
3. For 2015-16, note that the general and housing capital programmes has been fully funded from capital receipts, reserves, revenue, planned use of capital reserves, section 106 funds and external contributions. There was no additional borrowing required.

4. Notes the general fund capital programme for the period 2016-17 to 2024-25 total programme of £527.88m detailed in Appendix A and D. Resources of £98.31m to be identified to fund this programme over this period.
5. Notes the housing investment programme for the period 2016-17 to 2024-25 of £1,147.8m as detailed in Appendix B; and that work is ongoing to ensure this programme is fully funded.
6. Approve the virements and variations to the general fund and the housing investment capital programme as detailed in Appendix C.
7. Approve the re-profiling of the budgets in line with projected expenditure for future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D.

BACKGROUND INFORMATION

8. The ambition and scale of the capital programme being managed within the council is immense and with a total forecast spend of nearly £2 billion 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 and or do business in the borough.
9. This report sets out:
 - key capital achievements over 2015-16
 - financing of the 2015-16 programme
 - overall programme changes that impact on the future capital programme budget from 2016-17 onwards
 - departmental narratives for the capital outturn 2015-16 and the overall programme.

KEY ISSUES FOR CONSIDERATION

10. In meeting the council's fairer future promises the council made a total of £314.26m capital investment during 2015-16; comprising of £70.66mm General Fund and £243.6m Housing Investment Programme.
11. Although the final position was lower than forecast at quarter 3 (£80.3m GF and £261.2m HIP), this represents 44% accelerated spending for the HIP in comparison with previous years expenditure.

Capital Expenditure in 2015-16 by Service Department:

Service	Budget £000	Actual £000	Re-profiling to future years £000
Children's & Adults' Services	22,555	23,301	746
Southwark Schools for the Future	728	728	0
Finance and Governance	50	50	0
Environment and Leisure	17,328	11,630	(5,698)
Housing General Fund	10,515	8,525	(1,993)
Total General Fund	80,156	70,664	(9,492)
Housing Investment Programme	261,236	243,582	(17,654)

Key Capital Achievements 2015-16

12. The capital programme has successfully delivered the fairer future promises as set out below.
13. Value for money: We will continue to keep council tax low by ensuring that all our high quality services offer value for money.
 - Update of the council's IT infrastructure and networks to support the efficient delivery of council services.
14. Access to health for all: We will provide free swimming and gyms for all residents. We'll double the number of NHS health checks. And we'll extend bike hire across the borough.
 - Castle Leisure centre opened on 20 May 2016.
 - Peckham Pulse redecoration of the pool halls, the replacement of the pool hall air handling unit and the re-grouting of the pool wet side floor tiles.
 - Southwark Athletics Track and Centre completed May 2016
15. Quality affordable homes: We will improve housing standards and build more homes of every kind, including 11,000 council homes - with 1,500 built by 2018. We will make all council homes warm, dry and safe. And we will start rolling out our kitchen and bathroom quality guarantee.
 - By March 2016 the homes decency has risen to 91.3%.
 - Over 1,200 council homes have been provided with a new kitchen and/or bathroom as part of the kitchen and bathroom guarantee
 - A further 194 council homes on site and an approved pipeline of over 1,200 council homes by 2018.
 - Willow Walk completed and delivered 75 new council homes; 21 social rent and 54 temporary accommodation.
 - Investment in the regeneration of East Dulwich, Elmington and Wooddene Housing Estates.
 - Completion of the adaptation of 62 homes utilising the disabled facilities grants.
 - Five Hidden Homes were completed in 2015-16.
16. More and better schools: We will meet demand for primary and secondary school places. We will drive up standards across our schools, so that 70 per cent of students at every secondary school get five good GCSEs.
 - 345 temporary and permanent places were completed in 2015-16.
 - £3.8m invested in the schools maintenance programme and £1.3m on ICT upgrades and adult education premises.
17. More and better nurseries and childcare: We will help parents to balance work and family life, by opening two new community nurseries and investing in our children's centres.
 - £700k capital investment in places for 2 year old children.

18. A greener borough: We will protect our environment by diverting more than 95 per cent of waste away from landfill, doubling the number of estates receiving green energy and investing in parks and open spaces.
 - Environmental improvements and traffic calming in Hadfields working with partners at Lambeth Council
 - Expenditure on the Cleaner Greener Safer (CGS) programme was £1.83m and delivered 218 projects.
19. Safer Communities: We will make Southwark safer with increased CCTV, more estate security doors and a Women's Safety Charter. We will have zero-tolerance on noisy neighbours.
 - The investment of £1.9m of capital investment in CCTV investment since 2013/14 has supported the service to exceed the target number of arrests from CCTV detections.
20. Education, Employment and Training: We will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.
 - As at the end of 2015/16, 642 apprenticeship have been created, these are generated through a number of routes, including S106 agreements and ensuring that, as part of our approach to procuring capital works, bidders proposals for apprenticeships and the use of local labour are considered.
21. Revitalised neighbourhoods: We will make our neighbourhoods places that we can all be proud to live in, transforming areas such as Elephant and Castle, Aylesbury and the Old Kent Road.
 - Opening of the new Camberwell Library in November 2015.
 - 91 footway schemes and 90 carriageway schemes will have been completed, giving 9.1km of new carriageway surfacing and 10.6km of new footway surfacing.
 - New Nunhead community centres known as the Green was completed and open to the public January 2016.
 - Crystal Palace Parade – pedestrian and cycle improvements; including delivery of a significant number of cycle parking spaces.
 - Public realm improvements in the areas of Bellenden, Brayards and Coleman Road.
22. An age-friendly borough: We want you to get the best out of Southwark whatever your age so we will become an age friendly borough including the delivery of an Ethical Care Charter and an older people's centre of excellence.
 - Expansion of the Telecare service to support older and vulnerable people staying at home safely.

2015-16 Financing the Capital Programme

23. The strategy for financing the capital programme is to utilise grants, before using council capital receipts and reserves, thereby minimising any requirements for borrowing which will impact on the council's revenue budget.

24. The 2015-16 general fund capital programme financing is set out below. Note, in 2015-16, there was no requirement for additional borrowing to meet the programme spends.

	2015-16 General Fund £000	2015-16 HIP £000
Total Spend	70,664	243,582
Funded by		
Capital Receipts	26,306	48,997
Capital Reserves	1,698	6,022
Revenue	3,493	29,741
Capital Grants	31,585	53,546
Section 106	7,434	20,392
External Contribution	148	0
Major Repairs Reserve (Depreciation)		84,884
Total funding	70,664	243,582

Programme Updates Impacting on Overall Capital Budget

General Fund

Capital Planned Spend

25. When comparing the total capital expenditure programme from the quarter three the general fund programme has reduced by £26.5m. The key reason for this is the reduction in the SSF capital programme is the £26.2m removal of future BSF funding for schemes no longer supported by the Department of Education. This budget variation, alongside other budget virements for approval is set out in Annex C.

Financing of General Fund Programme

26. Overall the remains a shortfall of available funds of £98.3m to meet the current programme capital commitments. Over the coming year resourcing the programme will be subject to ongoing review.

Housing Capital Planned Spend

27. There has been no change in the planned total housing investment programme expenditure from the quarter three report.

Financing of Housing Investment Programme

28. The budgets have been re-profiled in line with projections and the summary position and the programme details are reflected in Appendix D.
29. As reported previously there is currently a shortfall of available funding to meet the ambitious housing investment programme, however, the council will continue to work creatively to identify ways to deliver and finance our council plan

commitments.

Departmental Updates

30. The sections below provide commentary on the budget position by departments for 2015-16.

GENERAL FUND (APPENDIX A)

CHILDREN'S AND ADULTS' SERVICES

31. In summary, the capital programme across Children's and Adults' Services for the period 2015-16 to 2024-25 reduced from £206.5m at quarter three to £204m. The revised annual budget for 2015-16 was £22.6m and the expenditure incurred for the year was £23.3m with £700k reprofiled from future years.

Children's Services

32. The capital programme for 2015-16 to 2024-25 was £191.0m. The reprofiled annual budget for 2015-16 is £21.3m. The expenditure incurred for the year was £22.2m. £900k budget has been re-profiled from future years as early works have been completed ahead of the main contract.
33. As part of the move towards the permanent expansion programme 345 temporary and permanent places were completed in 2015 at the following primary schools: Charles Dickens, Keyworth, Albion, Grange, Phoenix, Rotherhithe, St James CE, Crawford, Bessemer Grange, Dulwich Wood and Belham.
34. The main areas of expenditure for 2015-16 were:
- £700k for 2 year old places
 - £3.8m schools maintenance programme
 - £600k temporary expansion, and
 - £15.8m on permanent expansion
 - £1.3m on ICT upgrades and adult education premises.
35. As the main expansion programme is progressing with enabling works, designs and main contract tenders, there are a number of cost pressures arising. The main reasons are construction industry inflation associated with a high volume of construction in London and the south east and site specific abnormalities. Contractors are required to demonstrate that they are achieving competitive value for money prices and commercial discussions are on going with the contractors.
36. The total cost of the primary expansion programme for 2015-16 to 2018/19 is currently forecast to be £115m with the main contracts still to be tendered and agreed. This is mainly due to the insurance requirement to fit sprinklers to some new buildings, specific site abnormalities including land contamination, works to listed buildings and the requirements of Transport for London.

Adults' Services

37. The capital programme for the period 2015-16 to 2024-25 is from £15.5m at

quarter three to £13.0m at quarter four representing the reduction of reserves funding and substitution of unallocated corporate resources for the Cator Street site for extra care housing and a dementia care centre. The reprofiled budget for 2015-16 was £1.2m and expenditure incurred was £1.1m. The main works in 2015-16 include major refurbishments at the Anchor Trust properties, re-profiled works at Orient Street and the Brandon Trust properties and the expansion of the Telecare service

Southwark Schools for the Future

38. The capital programme for the period 2015-16 to 2024-25 is reduced from quarter 3 of £38.4m to £12.2m representing a £26.2m removal of future BSF funding for schemes no longer supported by the Department of Education. The revised annual budget for 2015-16 is £2.1m with the actual expenditure at £700k. In addition, £1.4m budgets for ICT, council retained liabilities and the lease for Highshore have been reprofiled to future years.
39. The final stage of the SSF programme will be SILS KS3/4. A budget of £8m has been earmarked for this purpose whilst plans are being drawn up. The anticipated costs can be contained within the existing identified programme budgets.

ENVIRONMENT & LEISURE

40. In summary, the total value of the departmental capital programme for the period 2015-16 to 2024-25 is £111.9m. The Departmental Capital Review Board continues to scrutinise the forecasts of all projects and their profiling at the end of each quarter to check their robustness and arrive at a more realistic estimate of expenditure for the year based on latest trend of spend. The final departmental capital outturn for 2015-16 was £11.6m against the budget of £17.3m giving a favourable variance of £5.7m, which will be re-profiled into 2016-17 and future years.
41. The progresses of major schemes are outlined below.

Highways

42. The Highway Asset Investment Programme (non-principal and principal roads) final outturn was £3.4m. There were significant savings during the first six months which were then programmed against projects for the latter part of the year. However, due to the lead in times required, the expenditure was less than initially envisaged. Community Council funding of £400k was also rolled forward into 2016-17 due to the timing of decisions by Community Councils. 91 footway schemes and 90 carriageway schemes were completed, giving 9.1km of new footway surfacing and 10.6km of new carriageway surfacing.
43. The expenditure on the Cleaner Greener Safer (CGS) programme was £1.83m and delivered 218 projects. There are 227 new projects in the 2016-17 programme and 173 projects carried over from previous years. Of these, 114 are 2015-16 projects, 59 are older than one year.
44. It is proposed that from 2016-17, the devolved community council funding element of the non-principal road investment programme of £800k per annum be increased in scope to become a local highway and streets improvement fund to

allow community councils to spend the funding on local priorities for street improvement such as traffic calming or cycle parking rather than only for like-for-like maintenance replacement. It is anticipated that this will enable the fund to meet community council priorities more effectively and therefore reduce delays in expenditure.

45. The expenditure on the cycle infrastructure fund was £27k which included the scoping and design work for the Southwark Spine. This is a reduction from the previous forecast and reflects the prioritisation of TfL-funded routes where funding is more tightly time-limited. The 20mph programme expenditure was £213k on surveys, monitoring, preparation and design work for further physical interventions in 2016-17 and 2017/18.

Waste & Cleansing

46. This budget was set up for site preparation/remediation works and the construction of a new road access for the new Integrated Waste Solutions complex on the Old Kent Road.
47. The balance of £1.76m relates mainly to the budget for planning related costs which may be payable to TfL (subject to results of a number of road traffic surveys). TfL could potentially request road infrastructure improvement works due to an increase in traffic in the vicinity resulting from the new facility. This is part of the Planning Conditions placed on the development.

Regulatory Services – CCTV

48. Capital spend in 2015-16 of £17k was the final expenditure and completion of the £1.9m CCTV investment programme to improve the CCTV service provision within Southwark. The project was completed in 2013/14, however there was a comprehensive testing programme which resulted in the retention payments being stretched over a longer than anticipated period culminating in the final payments being made in 2015-16. The project was delivered on budget.

Parks and Leisure

49. The implementation of the cemetery strategy continues in order to create further burial spaces and make associated infrastructure improvements. There has been significant progress with some projects in particular the completion of the lodge refurbishment works and the replacement of one of the cremators. Despite the on-going campaign to prevent the creation of new burial space within existing cemeteries full planning permission was granted in October for Areas Z and D1. Both schemes require faculty permission from the Diocese of Southwark. This decision was expected in winter 2015, then spring 2016 and is currently expected in summer 2016. This has created further delays to the programme. Expenditure has been re-profiled based on the latest information.
50. The leisure programme budget for 2015-16 was £3.9m of which £2.2m was spent and the slippage will be re-profiled to 2016-17. The programme has been reviewed and the budget re-profiled to create a realistic and achievable programme which is now being implemented.
51. Southwark Athletics Track and Centre: The track was under construction in 2015-16 and is now complete (May 16). Planning permission is still required for

the centre which is due for completion in April 2017.

52. Seven Islands Leisure Centre: Phase 1 works include upgrade of reception and entrance, install lift, pool hall upgrade, changing room refurbishment, sports hall refurbishment and converting meeting room to exercise studio. Tenders were received and evaluated in 2015-16. The works are due for completion at the end of November 2016.
53. Peckham Pulse Centre: A master plan for the centre has been developed which will be discussed with our new Leisure Management Contractor with a view to working in partnership to get best value from these works. The works are due for completion by the end of January 2017.
54. Homestall Road: The technical design for the pavilion has been completed and planning permission is now required. The works are due for completion in February 2017.
55. Savings expected from the Seven Islands Leisure Centre contract are being used to fund the additional capital resources required in the Southwark Athletic Centre and Homestall Road contracts. This budget virement is reflected in Appendix C for formal approval
56. Major Parks: Burgess Park projects are being progressed including the Southern Entrance project. The scheme will include a new play area, an increased area for ecology, cycle routes and a new welcoming entrance. Other projects include new toilet provision and a repair to a significant wall within the park. Southwark Park master plan is progressing well with consultants appointed to develop the detailed designs for planning.
57. The Pullens Gardens Redesign project has been allocated an additional S106 funding of £91k from planning committee in May 2016 and this budget variation is reflected in Appendix C.
58. The new Parks Grounds Maintenance Service contract for an initial seven year period was tendered on the basis that the council would provide capital for the purchase of all vehicles and major plant items in order to reduce the revenue cost and achieve the identified savings on the contract.
59. As part of the tendering process for the contract, tenderers were asked to identify within their tender, the capital sum required for this provision required in year one. A capital sum of £1.179m was identified within the lowest tender submitted. A report to award this contract is being submitted to cabinet for approval. The capital sum identified will be required from July 2016 in order to facilitate the purchase of vehicles and major plant items before the contract commences in October 2016.
60. Appendix C includes a capital budget variation of £1.179m for formal approval subject to the contract award report being approved by cabinet.

HOUSING AND MODERNISATION

General Fund

61. In summary the total value of the Housing and Modernisation general fund capital programme for the years 2015-16 to 2024-25 is £73.7m. Total expenditure incurred for the year 2015-16 was £8.5m, compared with the forecast spend for 2015-16 at quarter 3 of £10.5m. The following narratives provide details by service areas.

Traveller Sites

62. The largest scheme, for Wadding Street and Stead Street, is now to commence in 2016-17 and £1.0m earmarked for 2015-16 spend needs to be carried forward.

Information & Data Services Division (IDSD) & Corporate Facilities Management (CFM)

63. The capital programme continues to focus on two key areas: Information Technology infrastructure projects and premises-related improvements to the Council's operational buildings. The total capital programme for the division stands at £53m of which £6.0m was set to be delivered in 2015-16 and the outturn was close to this at £6.2m.
64. Information technology remains a key component to the council's ability to successfully deliver services efficiently and effectively going forward. As reported previously, over the next ten years the council will continue to update and improve the IT infrastructure and networks with spend in 2015-16 of over £3m included in the above £6.2m divisional total.
65. Facilities management will over the next ten years deliver a comprehensive planned preventative maintenance and compliance programme for the assets and fabric of the operational estate that fully supports the delivery of front line services. Spend in 2015-16 was £0.8m, with certain projects scheduled for the early part of 2016-17.
66. In addition to this, work continues on the re-instatement of Walworth Town Hall, which was significantly damaged by fire in March 2013. Spend on the pre design and build phases, for which corporate facilities management have had responsibility for delivering, was in line with revised budget at £1.4m for 2015-16.

Private Sector Housing Renewal

67. Private Sector Renewal schemes overall showed slippage to 2016-17 of £1.0m, £0.4m relating to Brayards Road Improvement Zone and £0.6m spread across other minor schemes.
68. The Brayards Road Improvement Zone group repair scheme (BIZ) was the last group repair project for the East Peckham and Nunhead Renewal Area. The project started in June 2015 to provide health and safety repair works and environmental improvements to 53 street properties of mixed tenures. The building works will complete at the end of April 2016. Outturn project spend will

be £1.09m (including £0.43m outturn in 2015-16).

69. The Disabled Facilities Grant (DFG) programme committed spending on schemes costing £1.18m in 2015-16. There were 62 DFG completions for the year. The 2015-16 DFG subsidy allocation received from the Better Care Fund was £614k, which was an increase of over £100k on the previous year.

HOUSING INVESTMENT PROGRAMME

70. The 2015-16 outturn on the HIP was £243.6m which is lower (£17.6m) than reported at quarter 3. The 2015-16 HIP outturn of £243.6m represents the largest annual investment in the stock for many years, a 44% increase on the 2014-15 outturn of £168.6m.
71. The HIP was resourced by £40m housing capital receipts, £9m of right to buy receipts marked for new build, £85m from depreciation via the major repairs reserve, £53m from GLA Decent Homes Backlog grant, £21m from Affordable Housing Fund developers' contributions and £36m from revenue, including reserves.
72. Resourcing continues to be a challenging task each year, with regulatory and financial restrictions on most sources and hence prudential borrowing within the HRA debt cap is becoming more likely.

HRA: Warm Dry and Safe

73. At the end of 2015-16 over £400m had been spent on the warm dry and safe programmes. In 2015-16 £130m was spent on WDS, with spend now being committed against the £985m capital bid allocation. 2015-16 year was likely to be the highest investment in existing stock in the council's history. By March 2016 the 90% decency target was also achieved.
74. The 2 year programmes are now complete. A total original provision of £76m was made for the two year programmes, carry over schemes and the original FRA works within the original WDS budget. The spend is £82m for delivering these schemes.
75. All the WDS 2012 major works schemes are completed.
76. Ten of the twelve WDS 2013 major works schemes are committed, with 8 achieving practical completion. Tustin is delayed but refurbishment works are due to start in 2016-17. Acorn was delayed pending regeneration works.
77. There are 40 of the 41 WDS 2014 major works schemes are committed, with 17 completed. D'Eynsford Estate externals is on hold pending district heating works.
78. Further, 92 of the 106 WDS 2015 major works schemes are on site or completed. 41 have been completed. The remained are due to start in 2016-17 and many of which are follow on works to the original works.
79. The trend of schemes requiring more resources than the original 2010 stock condition survey estimate has continued, meaning that the existing WDS budget was effectively committed with resources for now being allocated from the £985m capital bid allocation to complete the programme.

80. Following the council plan commitment to deliver a kitchens and bathroom programme a programme has been put together to be delivered alongside the major works programme for 2015-16. Costs were included in the capital refresh for 2015-16 and have outturned at £11m.
81. There are a number of potential funding streams that can contribute to or reduce the commitment for extra resources for this programme. A successful bid was submitted for Decent Homes Backlog funding in 2015-16 and the full £53m awarded has been drawn down. Further to this, 'risk pots' in committed projects not being utilised and under spends on projects will mean reduced costs on committed projects.
82. High Investment Needs Estates (HINE). Hawkstone WDS/HINE has been completed and Four Squares completing in Q2 2016-17. The main Abbeyfield scheme (Maydew) is now due to start on site in late 2016-17. The HINE allocation for Four Squares was increased to £28.7m following structural issues and the scope of works required to complete the scheme.
83. All the planned schemes up to the end of 2014-15 are completed. The remaining 2015-16 schemes requiring works have been committed with the exception of two schemes that are to be committed in 2016-17 (Leysdown/ Soane Boiler House and Acorn Mains)
84. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. All the higher moderate risk high rise blocks are also complete except for works being completed to coincide the WDS programme. £2.3m has been allocated to complete substantial medium rise FRA works are also being completed in 2015-16 alongside planned WDS works. Sidmouth has also been added to the programme and will start on site in 2016-17.

Decent Homes

85. The decency level of at the end of the quarter 4 was 91.3% (up 31% since the year start). This was despite 1,937 homes fell into non-decency at the start of 2015-16 meaning the decency level had fallen from 65.3% at 2014-15 year end to 60.07% at the start of 2015-16.

Lakanal

86. Spend at Lakanal House was £6.3m in 2015-16 with the refurbishment works progressing and the undercroft starting in early 2015-16.

Future years (HIP)

87. An asset management strategy was approved by cabinet in March 2016. This outlines a future investment requirement of £797m over the next 8-10 years from 2016-17 as well as existing commitments from the WDS programmes. The budgets for this programme are agreed annually, with £48.3m agreed to be committed in 2016-17.

East Dulwich Estate Regeneration

88. Voids for Sale – Cabinet agreed the sale of 50 voids to help finance the regeneration of the estate. Of that 50, 43 have been sold. A further 5 have been identified and, in order to achieve best value, require decoration to market standard prior to disposal. These works should take place in quarter 4.
89. Drying Room Conversions - This consists of the conversion of 18 drying rooms in Phase 1 and Phase 2 which have been completed for private sale. Phase 1 included the creation of 9 units and these have been sold. The 7 units from Phase 2 have been sold and the other 2 are under offer. There is also an opportunity to convert a further 6 drying rooms with the completion of feasibility studies and the intention is to start works in quarter 4.
90. Badminton House - Refurbishment of an 11 unit block with a drying room conversion making a total of 12 units of which 3 were for private sale and the remaining 9 for social rent. Works started in July 2014 and completed in June 2015.
91. Environmental Works – The environmental works programme has been decoupled from the health and safety works that are currently underway on the estate. However, the health and safety works have taken up a much larger proportion of the budget than initially anticipated. Housing Investment Board has now endorsed additional funding for the Environmental Works to be carried out.

Elmington Estate Regeneration Phase 3

92. The rehousing of tenants to achieve vacant possession for new build is still on track for Phase 3 with site D and E handed over complete to the developer.
93. At site G, all 42 tenants have been rehoused. One property remains relet by TA, 41 welded. Out of the total of 12 leaseholds on site G, 6 have been welded and 6 leaseholders remain, one of which is seeking financial assistance.

Wooddene Regeneration/Acorn Estate Energy Centre

94. Re-provision of a heat and hot water plant within the Wooddene energy centre to serve the Acorn Estate. Due to delays to start on site, handover of the energy centre has slipped from April to August 2016. Therefore the works will happen in this financial year.

New Homes Programme

Hidden Homes – refurbishment

95. Five Hidden Homes were completed in 2015-16, with another two currently on site and due to complete early in 2016-17. In addition, a further ten have planning approved and are being progressed using existing budgets. These schemes will commence on site in 2016-17.

Direct Delivery

96. Willow Walk completed in the third quarter of 2015-16 and delivered 75 new council homes: 21 social rented and 54 temporary accommodation units. These units were funded through a mix of Right to Buy (RTB) Receipts, GLA grant funding, Section 106 Affordable Housing Fund of £5.3m and other capital funding.

CHIEF EXECUTIVE

97. The total value of the departmental capital programme for the period 2015-16 to 2024-25 is 196m. The total expenditure incurred for 2015-16 was £26.4m against the budget of £29m indicating a favourable variance of £2.6m which will be re-profiled into 2016-17 and future years. The key achievements for 2015-16 against the departmental capital programme are outlined below.
98. Projects within the Regeneration of Camberwell under Revitalise5 Programme included the opening of a new £3.7m library in Camberwell. The library opened on 4 November 2015.
99. There has also been on-going improvements to Camberwell Green include planting trees, wildflower meadow, a new play area and market square have commenced and scheduled for completion in 2016-17.
100. The completion of the Castle, a new £20m leisure centre at Elephant & Castle as part of wider regeneration of the area was another key achievement. The Castle leisure centre opened on 20 May 2016.
101. The new Nunhead Community Centre, known as the Green was completed and opened to the public on the 11 January 2016. This centre is already being used by various groups in the area. The new building is fully accessible and built to high environmental standards to reflect the standards Southwark expect in all its new buildings.
102. The ambition to regenerate the immediate surrounding of Peckham Rye station through the Gateway to Peckham Project is progressing with major acquisition of properties planned for 2016-17.
103. Other Public Realm and Environmental Improvement projects completed in the year include:
- the comprehensive remodelling of the triangle site at Queen Elizabeth Street which includes the refurbishment of the Samuel Bourne Bevington (a grade 2 listed statue)
 - Improvements to community garden at All Hallows
 - Environmental and shop front improvements at Queens Road, Peckham
 - the completion of the Albert McKenzie memorial on Tower Bridge Road
 - the cleaning, refurbishment and lighting of three tunnels - Dockley Road, Millstream and Gedling Place which were on the Community Infrastructure Projects List.

TfL Projects

104. The council secured approximately £9m in funding from Transport for London (TfL). Approximately £5m of this is from the Quietways funding to continue the programme of improved cycle routes started in 2014. Key areas for improvement in 2015-16 include pedestrian and cycle improvements at Crystal Palace Parade, completion of public realm improvements in the areas of Bellenden, Brayards and Coleman Road and the delivery of a significant number of cycle parking spaces.
105. The major investment in Camberwell Town Centre public realm is on-going.

Community impact statement

106. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The council's Approach to Equality commits the council to ensuring that equality is an integral part of our day to day business.
107. This report describes the outturn position on the council's capital programme. The council's capital programme is designed to deliver projects of value to local people, and the individual plans are designed to have a beneficial impact on local people and communities. It is important that resources are used efficiently and effectively to support the council's policies and objectives.
108. The impact of each of the schemes and projects considered in this report on the community at large and on people identified as possessing "protected characteristics", as outlined in the Equality Act 2010 are considered as those individual projects are planned and delivered.

Resource implications

109. This report forms part of the council's budget framework and outlines the current position on the capital programme.
110. 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

111. The legal implications of this report are identified in the concurrent report of the Director of Law and Democracy.

Financial implications

112. This report sets out the financial implications of the capital programme for the general fund and the housing investment programme for 2015-16. The report also presents an updated position on the refreshed capital programme over the

period 2016-17 to 2024-25 on the predicted resources and expenditure across this period.

Consultation

113. 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 Law and Democracy

114. 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.

115. The capital programme 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.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 3 Capital Monitoring for 2015-16 and Capital Programme Refresh for 2015-16-2024-25 Report	Southwark Council Finance and corporate services 160 Tooley Street London SE1 2QH	Fay Hammond, Departmental Finance Manager (Corporate)
Link: http://modern.gov.southwark.gov.uk/ielListDocuments.aspx?CId=302&MId=5144&Ver=4		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position at 2015-16
Appendix B	Housing investment programme summary monitoring position for 2015-16
Appendix C	Budget virements and variations at quarter 4 2015-16
Appendix D	General fund programme detail at quarter 4 2015-16

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Fay Hammond, Departmental Finance Manager (Corporate)		
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Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments Included
	Director of Law and Democracy	Yes	Yes
	Strategic Director for Finance and Governance	N/a	N/a
	Cabinet Member	Yes	Yes
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