

Item No.	Classification: Open	Date: 9 February 2010	MEETING NAME Executive
Report title:		Capital Programme Monitoring Report and Refresh of 10 Year Capital Programme	
Ward(s) or groups affected:		All	
From:		Finance Director	

RECOMMENDATIONS

That Executive:

1. Note the current monitoring position for the capital programme 2009/10 – 2015/16 for both the General Fund (as at September 2009) and Housing Investment Programme (as at November 2009). See appendices A and B respectively.
2. Notes the current situation with the updated Primary School Programme as described within paragraphs 26-35.
3. Notes, for the General Fund, the level of forecast capital resources projected for the period 2009-18 (£593m) compared to the current estimated cost of the existing programme (£490m), an increase of £103m in new resources.
4. Note the value of the new capital bids under review (£174m, General Fund only), see Appendix C.
5. Approve to fund from new capital resources the list of contractual obligations, health and safety pressures and identified high priorities including invest to save schemes (Appendix C items 1-14 costing £58.2m).
6. Request that the Finance Director provide more detailed options analysis and financial appraisals on the remaining bids received (items 15-34 costing £115m) for future consideration by the Executive in the context of resources available and considering any additional resources which can be identified.
7. Notes the current position regarding the Elephant and Castle regeneration scheme and the signing of the Heads of Terms paper with the partner organisation Lend lease.
8. Request the Finance Director to submit quarterly monitoring reports to the Executive in line with revenue monitoring to include regular updates on resource planning and availability to fund the programme and emerging priorities.
9. See appendix D for analysis of the overall position regarding resources and commitments. Work is in progress to fully justify the position and will form part of the follow-up report in conjunction with point 6 above.
10. Note, for the HIP, that increased funding pressures (outlined in paragraph 51) have resulted in slippage to the programme in the short-term. Efforts will be made to correct the slippage in the light of the longer term resourcing strategy.

BACKGROUND INFORMATION

11. On the 13th February 2007, the Executive approved the 10-year capital programme for 2007-16. The 10-year programme replaced the previous three year programme that limited the Council's ability to plan for the costs and opportunities presented by longer term regeneration, development and asset management strategies. The first 10 year programme included projects that were within the remit of the Medium Term Resourcing Strategy and were in line with local priorities as expressed through Southwark 2016.
12. The ten year programme introduced in 2007 represented a significant change for the Council's planning for capital schemes. The introduction of the 10-year programme sought to maximise opportunities afforded from the regeneration of the borough over an extended period. This included consideration of short, medium and longer term plans for schools, housing, waste, libraries and leisure provision.
13. In 2007, budgets for the 10 year period 2007-2016 were set at approximately £340m for the General Fund programme, and over £500m for the Housing Investment Programme. (HIP). Since this time there has been some £330m of capital expenditure spent on both the General Fund and HIP programmes. There has been around £200m of new additions to the capital programme to reflect emerging service pressures and additional resources secured, principally through grant funding.
14. Over the last three years, the programme has been updated to include major initiatives such as the Southwark Schools for the Future programme as and when they have been agreed. The current updated capital programme remains fully funded.
15. However, additional investment is required in a range of new and emerging priorities and pressures. The impact of any changes to the programme will need to be matched by new resources identified as available or by way of reprioritisation of schemes within the existing programme.
16. On the 29th September 2009 the 2008/09 Capital Outturn report was presented to the Executive. This reported the capital outturn position at the end of 2008/09 and approved the spend and resources to be brought forward into the 2009/10 – 2015/16 programme. At that time the total value of the General Fund programme and associated resources stood at approximately £421m including the Southwark Schools for the Future programme; the Housing Investment Programme at £240m.
17. As part of the same report, the Executive accepted the recommendation of the Finance Director that a refreshed 10 year capital programme be prepared for their approval. This recommendation was specifically in response to the potential impact of the recession, not least the impact on the Council's disposals and regeneration programmes. Work on this refreshed 10 year programme is covered within this report and is informed by the monitoring position also reported.
18. The refresh work stream began last summer with the invitation to chief officers to bid for new resources for consideration within the capital programme. An officer scrutiny panel considered all bids in accordance with statutory and regulatory positioning, strength of business case, links to the corporate plan and assessment of any revenue budget impacts. The long list of bids within this report (Appendix C) identifies the results of this process.
19. As a separate piece of work the existing programme was reviewed in terms of affordability, viability and appropriateness. Along side this a ten year view had been taken of the disposals programme and in overall terms the cash flows resulting from expenditure and income mix are under review.

20. The Executive have previously made a commitment to identify a capital contingency reserve of £5m for urgent and unavoidable capital works. Current level of contingency reserve is £2.7m; therefore a target increase of £2.3m should be identified as a commitment.

KEY ISSUES FOR CONSIDERATION

Capital Programme 2009-16 – Monitoring Position

21. The current monitoring position shows a total forecast spend on the General Fund programme for 2009-2016 of £444.8 (Appendix A). The total forecast available resources over this period are £449.4m. This represents a surplus of funds available over the next seven years of approximately £4.6m in spite of the general economic circumstances, but reflects current best estimates for property disposals, grants and other funding sources.
22. This surplus is achievable due to the claw back of unallocated funds identified for ongoing Town Centre improvement schemes. Subject to Executive approval, it will be recommended that these resources be used to support other priorities, not least pressures on health and safety matters, including fire preventative measures.
23. The current forecast expenditure for the Housing Investment Programme for the years 2009/10 to 2011/12 is £320m as per Appendix B. This compares with the budgets brought forward after the 2008/09 outturn of £240m. The difference is due to the extension of the programme into the financial year 2011/12, which had not been fully budgeted for in the budgets brought forward from 2008/09.
24. Of this extension, most of the expenditure can be met by resources already in the programme, and the addition of grant and revenue funding in 2011/12. The balance will be funded from identified housing capital receipts within the corporate resource pool.
25. The commentary below on the latest monitoring position sets out the main issues arising by service department and goes on to detail the main departmental issues with regard to new capital bids and the programme refresh to a new ten year agreement taking the programme to 2018/19.

Comments on Capital Programme Monitor by Service

Children's Services

26. The Children's Services capital programme, with the addition of the further external resources now totals some £74.4m and includes various internal virements.
27. Good progress is being made on the implementation of schemes across the various elements of the programme and all programme variations identified to date can be managed within the current resources available. Where possible schemes of works are being managed via the Local Education partnership (LEP), a procurement vehicle set up to deliver the councils Building Schools for the Future programme. This will provide better opportunities for achieving value for money projects and sustainable solutions generally.
28. A number of changes have been made to the mix of schemes included in the Primary Capital Programme (PCP) originally agreed by Executive on 19th March 2009. These are summarised in the following paragraphs.

29. In September 2009 the Executive agreed to revise the £14m allocation for Cherry Garden Primary Special School on the basis that fewer new places were required in the light of a review of numbers. It was also agreed to co-locate the new school on the site of Gloucester primary school, which would be reduced in size. The revised budget would also provide for refurbishment of Gloucester, with the balance for other projects such as new places, fabric and modernisation.
30. An additional DCSF grant of £0.5m was secured to improve school kitchens and dining areas, subject to schools finding equivalent match funding. In some cases the funds will be spent directly by schools, in others used to supplement capital projects such as Dulwich Hamlet, where the new facility is now open.
31. The Executive also agreed to the substitution of a project for the front entrance at Heber School at a cost of £0.5m in lieu of one at Goose Green for the same amount. The Heber front entrance is now complete, improving security, accessibility and welcome. The Goose Green scheme is now being funded as a Children's Centre in the Sure Start programme, to include a new kitchen (using DCSF grant) and extended school facilities.
32. In July 2009 the Executive approved the inclusion of a scheme at Surrey Square Infant and Junior Schools for a new dining pavilion at a cost of £1.094m, some £0.994m of which came from a grant from the Aylesbury NDC, with the balance from the kitchen programme above, with match funding from the schools.
33. A report to the Executive on the 24th November 2009 highlighted the current pressure on primary places in the borough. Funding of £450,000 for additional classrooms in three primary schools was identified in 2009/10 from resources in the PCP for all schools plant, fabric and modernisation.
34. The original PCP report also confirmed some £32m to support the project for the rebuilding of the 3 primary schools Michael Faraday, Eveline Lowe and Southwark Park, first approved in 2005. At that time, the final tender figures were not known and outline estimates were given for each school. Given the tender climate, allowances had to be made for risk factors due to under pricing, as well as emerging design and construction issues. For this reason contingencies have been held centrally, to be reallocated in order to deliver the agreed scheme requirements. Although tenders were approved for Michael Faraday and Eveline Lowe, with work progressing well on site, Southwark Park is still to be finalised. The allocation for each school within the overall programme will be reported when a tender for Southwark Park can be agreed.
35. The PCP is monitored by the DCSF through Partnerships for Schools against the original bid submitted by the Council. There is an expectation that resources from all areas of the Children's Services, including devolved capital and revenue, should be connected to ensure that investment is strategic and leads to permanent improvements.

Children's Services - Southwark Schools for the Future

36. Executive noted the project affordability issues within the SSF Finance Update report in November which set out the key financial implications of the Local Education Partnership procurement and the 3 phases of the building programme.
37. May 2009 saw the financial close for the phase 1 sample schools and the setting up the Local Education Partnership for the delivery of the remainder of the SSF programme. The sample schools are on target for completion on time. Plans for the phase 2 design and build schools are on schedule as per the Outline Business Case. The phase 2 & 3 PFI schools are planned to be delivered through a single special purpose vehicle in order to make the schools affordable within the funding constraints. A further report on SSF will be brought to the March Executive.

Deputy Chief Executive's Department, and Financial and Resources

38. The major capital project for DCE has been the development of the new Council headquarters at 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, generating efficiencies too. The progress of the programme is borne out by a disposals envelope yielding some £15m in capital receipts to help fund the acquisition including the sale of properties such as Larcom Street, John Smith House and various sites in Peckham Road. Therefore, the business case remains on target.
39. For the rationalisation of the remaining estate, the principle will be adopted that accommodation should be designed to match the requirements services need to improve outcomes for residents. This includes the appropriate provision of customer access points and consideration of the differing needs for locally based services in different parts of the borough. The principle will be applied within the constraint that accommodation must be flexible and able to respond to the changing needs of residents and the changing make up of the council and of our partners over time.
40. 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 service delivery. By disposing of property in the poorest condition, the Council will forgo considerable liabilities on the maintenance and modernisation of old, not-fit-for-purpose buildings. Minimising the total number of offices sites will also maximise the opportunity for revenue savings related both to the operation of buildings and the potential for service reorganisations currently inhibited by the nature of accommodation
41. Information Services (IS) has moved from DCE to form part of Finance and Resources. Information Services have refreshed their capital programme which is projected to be on budget for the current year 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.

Health and Community Services

42. The main project is the provision of the Aylesbury Resource Centre with a budget of £5.7m which is part of the regeneration of the Aylesbury estate. Site works are now in progress and building work is scheduled to commence at the beginning of April, with an estimated completion date of November 2010.
43. Work at Cherry Garden Street on the refurbishment of the offices for use as a resource centre for people with learning disabilities starts in December 2009 and is due for completion in May 2010. Budget for this work is £300k and this building will accommodate staff and clients from The Grange and Evelyn Coyle day centre.

Regeneration and Neighbourhoods

44. Following the recent changes in management structures across the Council, some of the Council's high profile regeneration projects such as the construction of Canada Water Library; Bermondsey Spa Regeneration, Town Centre Regeneration and work to existing Council Buildings have been transferred to the department from the Deputy Chief Executive (DCE) and more recently the Major Projects departments.

45. The current total value of the capital programme for the Regeneration and Neighbourhood department (excluding Aylesbury, Heygate and Elephant and Castle Regeneration schemes) over the 2009/10-2011/12 period is £38m. Of this, approximately 31% is funded by external sources (capital grants, s106 agreements and external contributions).
46. The net underspend of £4.5m represents the remaining allocation to the Town Centre Regeneration programme not being committed, and is pending reprioritisation by the Executive arising from this report.
47. The department is on course to deliver various projects aimed at improving road safety, encourage greener and sustainable modes of transportation in the borough as well as supporting the commercial viability of local shopping areas through environmental improvements; trader empowerment and continued business support.
48. The resources for the Canada Water Library project were considered in previous reports to the Executive, initially in February 2007 and then again in October 2008 following completion of tendering for construction works. The contract sum reported in 2008 is now fully resourced within the Council's capital programme. The contractor started work on site in June 2009 and progress is being continually monitored in line with agreed schedules.

Environment and Housing

Sustainable Services

49. The Waste PFI contract has been running for nearly two years and has already provided significant benefits to the Council, even before the new waste processing facilities are built on the Old Kent Road. Missed collections are at an all time low and we have been able to realise savings on the waste disposal element of the contract. In addition, our partnership with Veolia has meant that even during the recent uncertainty with recycling end markets we have ensured that all the waste collected for recycling has been recycled. Site preparation works are now completed, with the next stage (construction of the new facility road access and associated works) scheduled to begin in early 2010.

Public Realm

50. 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 year in the quality, number of projects delivered and time for delivery. In the first seven years of the CGS programme £21,503,000 has been allocated to Community Councils leading to 1,100 projects being approved. To date 750 projects have been completed.
51. In 2008/9 220 projects were completed with an average completion time of 44 weeks compared to 104 projects completed in an average 55 weeks in the previous FY. In 2009-10 300 projects will be delivered while the estimated time for completion has been reduced to 40 weeks.
52. **Burgess Park Revitalisation Project:** The Council was successful in securing £6m towards the regeneration of Burgess Park. £2m from the Mayor of London as part of the Premier Parks Scheme and £4m from the Aylesbury New Deal for Communities. The procurement process to contract a company to undertake the first phase of works has been completed and the winning organisation was announced in November 2009.

Culture, Libraries, Learning & Leisure

53. The Lottery funded refurbishment of the John Harvard Library is now complete and the library was re-opened on 16 November 2009.
54. Adult Learning Services has successfully bid for £750k from the Learning and Skills Council towards a capital project to transform the Thomas Calton Centre into a state of the art and modern facility. This was dependent on the Council providing £250k match funding to the project. The matched funding resources have been identified within existing resources.
55. **Leisure Facilities:** The refurbishment of Surrey Docks Water Sports Centre commenced on 23 February 2009. The work is progressing well and the centre will be reopened on 11 February 2010.
56. Phase 1 works for the Dulwich Leisure Centre (creation of new entrance building, studio suite, wet side changing areas and pool refurbishment) are due for completion in July 2010 and will then be opened for use by the public. The Phase 2 works will commence 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 currently expected to be completed during January 2011.
57. **Camberwell baths:** Refurbishment of Camberwell Baths began in August 2009. Total funds of £4.1m have been secured for the project, which has meant that the pool and the gym, including changing rooms can be refurbished, although extra funds are being sought for further refurbishment, especially of the sports hall. The secured funding consists of Council funding of £2m, a Gleaner Greener Safer allocation of £50k, and external funding from the following sources: Department of Culture media and Sport (£1.45m Free Swimming Capital Fund), Youth capital Fund (£500k) and London Marathon Charitable Trust (£100k). The scope of works includes: reconfigured entrance and reception area; refurbished male/female changing rooms, new family changing room with dedicated disabled changing facilities; improved access to swimming pools and refurbishment to Pool Hall; new Air Conditioning and Air Handling throughout; extended Gym and redecorated dry side change, new young people's facilities (Arts and Music) and improvements to Warwick Hall. Refurbishment is taking place in two phases. The pool will be completed by July 2010, while the gym facilities are to be completed by November 2010.

Housing Investment Programme – General Fund

58. The Renewal Areas programme has been reviewed in the light of the limited corporate resources available, and the uncertainties of funding arising from this have resulted in some slippage in the profile of anticipated expenditure. Affordable housing schemes have also been revised and will utilise an increased level of funding from the Affordable Housing Fund, over a slightly longer timescale than previously reported. The travellers site scheme at Burnhill Close has historically been the subject of much delay, but is now progressing and work should start on site this year.

Housing Investment Programme – HRA (Appendix B)

59. Pressures on available resources within the Housing Investment Programme remain very high. Since the year start, the programme has been extensively reviewed to ensure sufficient allowance has been made for the ongoing funding requirements of corporate major projects, specifically for Heygate and Aylesbury regeneration, and for the delays in and reduced level of anticipated capital receipts due to the current economic climate. As a result, the decent homes budget has provisionally been reduced by a further £5m this

year, although it is planned to replace this as far as possible by increased use of in-year capital receipts to allow projects to proceed as planned – to date approximately £3m has been identified for this purpose but confirmation of availability is awaited.

60. Programme expenditure has been strong throughout the year, reflecting a high level of commitments arising from contracts rolling forward from last year's programme. The current forecast spend this year, although approximately £20m less than was envisaged when reporting last year's programme to Executive in February 2009, is approximately £2m higher than the reduced level of available resources as currently profiled. However, it is anticipated that the inclusion of additional capital receipts as above will cover this level of expenditure.
61. The first new housing under the Hidden Homes initiative will soon start on site at Appleshaw House. The contract will deliver four new 4-bed units in addition to refurbishment of the block.

Capital Programme Refresh Details for Consideration

Resource Implications

62. The Council's capital resources are comprised of Government supported borrowing and grant, Section 106 agreements, capital receipts, revenue contributions and external funding sources. On the basis of the current approved programme there is a small surplus of resources on the basis of existing projections. These resources have been confirmed as part of the regular monitoring arrangements.
63. However, three years after the approval of the original programme, there is a need to fundamentally review resource availability and update assumptions in line with current information available. This is necessary in order to identify ways in which to meet emerging demands for capital investment and to assess how the availability of any new resources may be profiled over time.

Capital Receipts and Property Disposals Programme

64. Since 2007, the Council has developed the asset management strategy and is now better placed to take a longer term view of a range of strategic issues including the provision of central and local services through a range of Council buildings now including the administrative Headquarters in Tooley Street. The Council has also been able to gain a better understanding of investment required in existing stock and the estimated value and potential dates for the disposal of existing buildings.
65. To support the improved asset management strategy, the Head of Property has developed a programme of disposals spanning ten years, in line with the capital investment programme. This now allows for a match of investment needs and opportunities over time.
66. The long term disposals programme provides a good deal of strategic planning for capital resources moving forward, however, it should be noted that a balanced view will need to be taken between resource allocation between the Housing Investment Programme and the General Fund Programme. With high pressure demands on both, the apportionment of scarce resources will be key.

Regeneration Programme

67. The Council is engaged in a number of highly complex regeneration programmes that will generate capital receipts to the Council over a number of years. These receipts in terms

of both quantum and incidence are difficult to predict with certainty in advance of contractual commitments being entered into with development partners and others. However the refreshed resources contained within this report allows for contributions to the capital programme from a number of regeneration projects including Bermondsey Spa and Canada Water. In addition, the recent signing of Heads of Terms for the Elephant and Castle regeneration scheme has enabled some additional resources to be factored into available funds.

Grants and Other External Funding Sources

68. The current programme includes a range of government grants for specific projects in relation to a number of key priority areas. Grants have been allocated from the following sources and underpin expenditure plans across the programme: Big/Heritage Lottery Funding £1m, New Deals for Communities £15m, Transport for London £7m and The Department for Schools and Families - £58m (Partnerships for Schools being the funding base behind Southwark Schools for the Future providing £173m).
69. S106 – it is envisaged that as the Council works closely with private developers in developing infrastructure across the borough. The developer's provided infrastructure and the planning gain receipts issued under S106 obligations (or under a new Community Infrastructure Levy) will become more focused to address the Council capital priorities. Community Councils are already indicating priorities through the setting up of Project Banks which are an important guide to focusing S106 resources. Taking a considered view under current economic conditions some £8m is deemed available across the 10 year programme for allocation.
70. Current resources identified within the long term funding strategy are sufficient to meet the cost of contractual obligations, health and safety pressures and identified high priorities including invest to save schemes (Appendix C items 1-14 costing £58.2m). Work is in progress to assess the extent of longer term resources available to address the longer list of capital bids received (items 15-34 costing £115m). This will form part of the overall capital programme refresh later this year.

Comments on New Capital Bids by Service

Children's Services

71. The Council has recently been notified by DCSF of an allocation of £12,063,000 of capital grant in response to an application for funding to support the provision of additional permanent primary places by 2011. This funding will be delivered in 2010-11, but tight conditions are to be imposed on the usage of these resources. DCSF has made clear that this funding is strictly for investment in the provision of additional primary age places in permanent accommodation. Further, in the event that any authority's pupil numbers in the January 2012 census fall short of the forecasts submitted for September 2011, DCSF reserve the right to claw back where there has been undue over-funding.
72. It is proposed to allocate £5m to fund a permanent extension to Lyndhurst community primary school to provide 105 new places, taking the school to 2 forms of entry and phasing out mixed age teaching. It will also provide a new kitchen and dining facilities, supporting healthy eating as well as dealing with suitability issues such as the provision of larger classrooms, an improved front entrance and the lack of an adequate internal staircase. Poor quality and temporary accommodation would be removed.
73. A block sum of £2m is proposed to deal with the provision of bulge classes in permanent accommodation, enabling schools to take 30 more children in each seven year cycle by reconfiguring existing teaching spaces. This has the potential not only to deal with

existing higher rolls but also make a contribution to a need for more places in the medium term. There would also be a legacy value in changes such as improved toilets, dining and modernisation, connected where possible with other investment in the school building stock. At an average cost of £250,000 this would deliver 8 such classes. The £450,000 allocated to the first three bulge classes opened in 2009/10 would now be taken from the block sum, releasing the resources for their original purpose.

74. The balance of the £12m (some £5m) would be allocated to schemes to provide further permanent additional places, according to the principles set out in the Executive report approved in November 2009 mainly to support permanent enlargements of primary schools. This would include the permanent enlargement of St. Anthony's RC primary school. A feasibility study is under way to determine building options.
75. Whilst these changes will address the most immediate need for additional places mainly in the south of the borough, the Executive report in November highlighted the ongoing growth in rolls affecting the north and later the central area in the next decade. Further capital investment would be needed to ensure that sufficient places are provided, on the same principles as above, i.e. targeting half form entry schools, connecting ongoing investment and modernisation needs with enlargement.
76. In summary, the new capital bid requirements for children's services centre around primary school needs. Capital funding is also being sought to support the construction of a new building for Rotherhithe primary school to be co-located with the new Rotherhithe Academy on the primary school site and for additional resources to fund primary school places elsewhere in the borough.

Regeneration & Neighbourhood / Major Projects

77. New capital bids have been submitted in respect of the need to make good dilapidated leased premises where contractual obligations exist and to provide asset management alterations to the council's voluntary sector estate.
78. A bid for Nunhead Community Centre redevelopment exists within the high priority list for executive consideration. The project to undertake this important work is valued at £600k but there is expectation to fund this via capital receipts linked to disposal of land on the current site.

Environment & Housing

Sustainable Services

79. The planning application for the waste facility was successful on 8th September 2009. However, as the formal decision has yet to be published, it is not possible to accurately estimate the additional funds required at this stage 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.
80. At the time of the PFI waste contract signing in February 2008, a number of unknown costs were omitted from the contract to ensure the Council did not pay significant amounts for works that may not have ultimately been required. Issues still remaining to be resolved include architectural enhancements, and s106 costs. Current best estimates of these likely costs, together with the additional expenditure identified for the unavoidable gas pipe diversion on the Old Kent Road site, have been submitted as a bid of £5.4m for approval and release of resources.

Public Realm

81. New capital bids totaling £5.7m are submitted in respect of necessary safety work on cemeteries (£4.2m) and for the procurement of additional cemetery space (£1.5m) which represents an “invest to save” option. In addition a bid for £770k was submitted for South Dock Marina in respect of necessary health and safety works and a bid for a new Parking Control Zone within the borough (£256k).
82. A refreshed 10 year programme includes allocation in respect of Non-principal road works across the borough (£5m per year) and for Cleaner, Greener, Safer projects (£3.25m per year). The capital bids submitted refreshes this programme to a new ten year commitment and therefore represents a refresh of the first three years.

Culture, Libraries, Learning & Leisure:

83. New capital bids have been submitted in respect of contractual repair work at Pynners Sports Ground (£600k), upgrading library technology (£1.6m), refurbishment work on Seven Islands (£7m) and Elephant and Castle Leisure Centres (between £1m and £15m) and on Kingswood House (£230k), and a capital maintenance fund for the Council's leisure centres (£3.6m over the next 10 years).

Housing General Fund

84. From within the housing renewal programme, this review proposes to release uncommitted funding back into the wider resource pool and specifically for reinvestment into the Housing Investment Programme to support essential fire and health and safety works.
85. From the existing Housing Renewal Programme, existing contractual commitments will be fulfilled. Ring fenced capital grant will remain directed to their sole purpose. The released resources will come from the base budget on review of current commitments.

Housing Investment programme (HRA)

86. An additional £4m of resources have been identified from elsewhere within the corporate capital programme to reflect the bringing forward of planned essential fire safety enforcement works across the borough. A further £5m per year for 3 years has been submitted as a new capital bid between 2010 and 2013 representing a total requirement of £19m (Appendix F item no. 6).

COMMUNITY IMPACT STATEMENT

87. 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.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

88. Under the constitution the Executive are to have responsibility for the Council's capital programme, including the Housing Revenue Account, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders.

89. The capital programme 2009-2016 helps 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.
90. The capital programme is constructed to accord with the community plan, Southwark 2016. 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.
91. 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 Outturn Report 2008/09 Executive Report 29 th September 2009	Tooley Street	Cathy Doran, Extension 54396
Departmental monitoring schedules 2009/10 – 2015/16	Tooley Street	Nicola Kelly, Extension 54318

APPENDICES

No.	Title
Appendix A	General Fund summary
Appendix B	Housing Investment Programme summary
Appendix C	Programme variations – for notification and approval
Appendix D	General Fund Programme Breakdown

Audit Trail

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	John Chance, Assistant Finance Director	
Version	Final	
Dated	January 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and	Yes	Yes

Governance		
Finance Director	Yes	Yes
List other Officers here	-	-
Executive Member(s)	Yes	No
Date final report sent to Constitutional Support Services	1 February 2010	