

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 8th September 2010	<b>Classification:</b> Unrestricted	<b>Report No:</b>
<b>Report of:</b> Corporate Director, Resources  <b>Originating officer(s)</b> Alan Finch: Head of Corporate Finance		<b>Title:</b> 2009/10 Capital Outturn  <b>Wards Affected: All</b>	

<b>Lead Member</b>	Cllr David Edgar
<b>Community Plan Theme</b>	Capital programme supports various Community Plan themes
<b>Strategic Priority</b>	Capital programme supports various Strategic Priorities, including those within Local Priorities Programme.

## 1. **SUMMARY**

- 1.1. This report details the capital expenditure incurred by the Council in the financial year ended 31<sup>st</sup> March 2010 and the resources applied to finance it.
- 1.2. The Council incurred capital expenditure of £139.376 million against a budget of £164.479 million, which represents an underspend of £25.103 million. The unspent resources will be used in future years.
- 1.3. The programme was fully funded from available resources.

## 2. **DECISIONS REQUIRED**

Cabinet is recommended to:-

- 2.1 Note the contents of this report
- 2.2 Agree to carry forward into 2010/11 approvals of £4.083 million in the Local Priorities Programme as detailed in Appendix 2

## 3. **REASONS FOR THE DECISIONS**

- 3.1 Decision to carry forward capital resources will provide finance for Local Priorities Programme for a variety of activities.

## 4. **ALTERNATIVE OPTIONS**

- 4.1 Most of this report outlines past capital expenditure, so alternative options limited to reallocation of future Local Priority Programme – this will be assessed as part of scheme review.

## 5. **BACKGROUND**

- 5.1 This is the final monitoring report on the 2009/10 Capital Programme. It is based on actual capital expenditure to the 31<sup>st</sup> March 2010.

5.2 It compares actual spend for the year against approved budgets, highlighting the reasons for significant variances.

## 6. FINAL CAPITAL BUDGET 2009/10

6.1 The Quarter 3 monitoring report which was approved by Cabinet on 10<sup>th</sup> March 2010 showed an approved total budget of £139.816 million. This has now increased to £164.479 million, for the reasons set out below. Cabinet approval dates are shown where applicable.

	<b>£m</b>
<b>Budget as at Quarter 3</b>	<b>139.816</b>
Additional projects approved for Communities, Localities and Culture:	
➤ Transport	2.016
➤ Parks	0.125
➤ Culture	0.170
(Corporate Director approved Dec 2009 - Jan 2010 / Noted by March 2010 Cabinet)	
Approval of Building Schools for the Future (BSF) Wave 5 schemes starting works in the final quarter of 2009/10 (BSF approved Cabinet June 2006 – tender update to August 2010 meeting)	18.987
Additional projects approved for Children, Schools and Families	0.085
Additional projects approved for Housing Revenue Account (approved by Cabinet 4 Nov 2009):	
➤ Cotall Street Demolitions	0.250
➤ Building Britain's Future	0.860
Additional projects approved for Resources Directorate:	
➤ Telephony Invest to Save (Cabinet 11 Mar 2009)	1.138
➤ Software Licences (funded from revenue budget)	1.032
<b>Final Budget 2009/10</b>	<b>164.479</b>

## 7. ACTUAL EXPENDITURE COMPARED TO PROGRAMMED BUDGET

7.1 Total spend to the end of the financial year (31<sup>st</sup> March 2010) represented an underspend of £25.103 million as follows:

	Budget at 31-Mar-10	Spend to 31-Mar-10	Variance	Variance as % of Budget
	£m	£m	£m	£m
<b>MAINSTREAM PROGRAMME</b>				
Communities, Localities and Culture	16.630	13.493	-3.137	-19%
Children, Schools and Families	68.264	54.297	-13.967	-20%
Adults, Health and Wellbeing	0.858	0.454	-0.404	-47%
Development and Renewal	1.730	0.428	-1.302	-75%
Housing Revenue Account	43.797	42.655	-1.142	-3%
<b>MAINSTREAM TOTAL</b>	<b>131.279</b>	<b>111.327</b>	<b>-19.952</b>	<b>-15%</b>
<b>LOCAL PRIORITIES PROGRAMME (LPP)</b>				
Communities, Localities and Culture	4.034	3.622	-0.412	-10%
Children, Schools and Families	4.053	0.207	-3.846	-95%
Chief Executive	7.279	4.147	-3.132	-43%
Adults, Health and Wellbeing	0.574	0.141	-0.433	-75%
Development and Renewal	6.700	2.242	-4.458	-67%
Housing Revenue Account	10.560	17.690	7.130	68%
<b>LPP TOTAL</b>	<b>33.200</b>	<b>28.049</b>	<b>-5.151</b>	<b>-16%</b>
<b>GRAND TOTAL</b>	<b>164.479</b>	<b>139.376</b>	<b>-25.103</b>	<b>-15%</b>

7.2 The final outturn for 2009/10 of £139.376 million was closely in line with the projected figure reported to Cabinet at the end of the third quarter on the 10<sup>th</sup> March 2010 (£137.479 million).

7.3 A number of schemes have spent ahead of schedule in 2009/10 as set out in the above table and in the detailed appendices. Where this has taken place, it has been possible to fund these by temporarily applying funding identified for other schemes which under spent or funding earmarked to be spent in future years. Care needs to be taken that such arrangements can be made before expenditure is incurred.

7.4 Details of budgets, actual expenditure and variances by project and/or sub programme areas, together with Directorates' reasons for variances are shown in Appendix 1.

## 8. RESOURCES

8.1 The capital programme for this year has been set on the basis of available capital resources and amended as further resource announcements have been made by Government and other funders, and for Cabinet decisions. The capital programme was fully funded from available resources.

8.2 A summary of the resources used to fund the 2009/10 capital programme is set out as follows:

	Directorate						
	CLC	CSF	Chief Exec	AHWB	D&R	HRA	TOTAL
	£m	£m	£m	£m	£m	£m	£m
<b>Funding Source:</b>							
Capital Grants	4.767	47.761	0.000	0.409	1.112	13.722	<b>67.769</b>
Developers' Contributions	5.721	2.984	0.000	0.000	0.308	0.000	<b>9.013</b>
Supported Borrowing	0.000	2.359	0.000	0.046	0.000	15.500	<b>17.905</b>
Prudential Borrowing	3.802	0.000	1.138	0.090	0.000	0.000	<b>5.029</b>
Direct Revenue Financing	2.825	1.400	3.009	0.051	1.150	6.000	<b>14.437</b>
Major Repairs Allowance	0.000	0.000	0.000	0.000	0.000	13.836	<b>13.836</b>
Capital Receipts (Local Priorities Programme)	0.000	0.000	0.000	0.000	0.000	11.387	<b>11.387</b>
<b>Total Resources Applied</b>	<b>17.115</b>	<b>54.504</b>	<b>4.147</b>	<b>0.595</b>	<b>2.570</b>	<b>60.445</b>	<b>139.376</b>

- 8.3 Resources allocated for the mainstream programme are normally earmarked to schemes. However locally generated funding may be applied for the discretion of the authority. Appendix 2 sets out those Local Priority Schemes which under spent in 2009/10 and Cabinet approval is sought to carry forward the unspent amounts. These schemes will need to be reviewed as part of the forthcoming budget process to ensure that the resources allocated are still required or remain budget priorities.
- 8.4 A breakdown of the Local Priorities programme allocations and amounts to be agreed for carry-forward to 2010/11 are shown in Appendix 2.

## **9. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 9.1 Under Financial Regulations, it is the responsibility of senior managers to ensure that capital budgets are spent in accordance with decisions and any overspends are dealt with.

## **10. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 10.1 The report brings information on the Council's 2009/2010 capital expenditure to Cabinet's attention. This is consistent with the proper administration of the Council's financial affairs as required by section 151 of the Local Government Act 1972.
- 10.2 The report also seeks Cabinet's approval to bring forward capital estimates of £4.083 million for the Local Priorities Program. This request for approval is in accordance with the financial procedures established by the chief finance officer.

## **11. ONE TOWER HAMLETS CONSIDERATIONS**

- 11.1 The report concerns the Council's Capital Programme in which each project had to demonstrate its contribution to One Tower Hamlets to be approved.

## **12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

12.1 There are no SAGE implications arising out of this report.

## **13. RISK MANAGEMENT IMPLICATIONS**

13.1 The principal risks identified in the capital programme relate to the Local Priorities Programme's reliance upon the realisation of capital receipts. Forecasting of such receipts is inherently risky. Receipts can only be estimated based on knowledge of the market prevailing at the time, and realisation of receipts is susceptible to a range of factors outside the control of the Council, as well as the decisions the authority chooses to make itself.

13.2 To minimise risk, expenditure is no longer committed in anticipation of the proceeds from the sale of assets.

## **14. CRIME AND DISORDER REDUCTION IMPLICATIONS**

14.1 The evaluation process for projects includes criteria for the delivery of efficiency improvements within the Council, prior to the adoption of capital estimates being approved.

14.2 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all of its services. These factors should be considered throughout the life of any project, from initial tendering for contractors to carry out works through the monitoring phase and ending with a final post-implementation review.

## **15. EFFICIENCY STATEMENT**

15.1 This report is mainly for information on historic expenditure and outlines remaining resources for Local Priorities Programme schemes subject to further review, therefore an efficiency statement is not appropriate.

## **16. APPENDICES**

### **Appendix 1 – Budgets, Actual and Projected Expenditure and Variances by Directorate**

Appendix 1.1 Communities, Localities and Culture

Appendix 1.2 Children, Schools and Families

Appendix 1.3 Building Schools for the Future

Appendix 1.4 Chief Executive's and Resources

Appendix 1.5 Adults Health and Wellbeing

Appendix 1.6 Development and Renewal

Appendix 1.7 Housing Revenue Account

### **Appendix 2 – Local Priorities Programme Allocations to be Carried Forward to 2010/11**

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**Local Government Act, 1972 Section 100D (As amended)**  
**List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
Directorate Submissions	Alison Gebbett Ext. 3360 Mulberry Place, 4th Floor.

**COMMUNITIES, LOCALITIES AND CULTURE (CLC)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>MAINSTREAM PROGRAMME</b>				
<b>Transport</b>				
TfL projects	4.368	2.976	-1.392	-31.9%
Transport other funded projects	4.401	3.524	-0.877	-19.9%
<b>Parks</b>				
Chicksand Ghat	0.600	0.595	-0.005	-0.8%
Braithwaite Park	0.125	0.108	-0.017	-13.6%
<b>Culture and major projects</b>				
York Hall Boiler Demolition	0.189	0.189	0.000	0.0%
Idea Store Minor Improvements	0.028	0.026	-0.002	-7.1%
Banglatown Art Trail	1.919	1.175	-0.744	-38.8%
Mile End Security works	0.199	0.162	-0.037	-18.6%
Swimming Pool Covers	0.010	0.010	0.000	0.0%
Leisure Surveys	0.023	0.023	0.000	0.0%
Poplar Baths	0.220	0.235	0.015	6.8%
<b>Other</b>				
Waste management	0.101	0.127	0.026	25.7%
Emergency planning	0.166	0.144	-0.022	-13.3%
Pay and display machines	0.160	0.000	-0.160	-100.0%
Purchase of 585 Commercial Road	3.800	3.812	0.012	0.3%
Wentworth Street Market	0.088	0.102	0.014	15.9%
CCTV	0.233	0.229	-0.004	-1.7%
Contaminated Land Strategy	0.000	0.056	0.056	0.0%
<b>CLC MAINSTREAM TOTAL</b>	<b>16.630</b>	<b>13.493</b>	<b>-3.137</b>	<b>-18.9%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
4.070	4.070	Agreed changes and additional funding from TfL. Programme extended to 2010/11.
2.174	2.283	Additional funding received in last quarter, work programme extended.
0.600	0.600	
0.000	0.000	Funding received in last quarter, work schedule extended to 2010/11.
0.189	0.189	
0.028	0.028	
1.249	1.749	Finalisation of scheme design still to be agreed.
0.199	0.199	Final cost less than anticipated.
0.010	0.010	
0.023	0.023	
0.220	0.000	
0.101	0.089	Purchase of additional recycle bins and food waste bins as required.
0.166	0.166	Awaiting landlord approval to install generators
0.160	0.160	Funded directly from revenue
3.800	3.800	
0.088	0.088	Insurance claim did not consider the preparation and staff costs to reinstate damaged gates.
0.233	0.112	
0.000	0.000	Land surveys completed ahead of schedule (included in 2010/11 budget). Fully funded by grant from DEFRA.
<b>13.310</b>	<b>13.566</b>	

**COMMUNITIES, LOCALITIES AND CULTURE (CLC)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>LOCAL PRIORITIES PROGRAMME</b>				
Victoria Park Masterplan	0.340	0.550	0.210	61.8%
CCTV Strategy	0.718	0.718	0.000	0.0%
Street Lighting	0.200	0.199	-0.001	-0.5%
Bancroft Library	0.255	0.051	-0.204	-80.0%
Parks	2.158	1.894	-0.264	-12.2%
Idea Stores Finance	0.126	0.000	-0.126	-100.0%
20mph zones	0.014	0.005	-0.009	-64.3%
Key Parks	0.014	0.014	0.000	0.0%
Parks Programme	0.100	0.100	0.000	0.0%
Langdon Park Station	0.018	0.000	-0.018	-100.0%
York Hall Development	0.091	0.091	0.000	0.0%
<b>CLC LPP TOTAL</b>	<b>4.034</b>	<b>3.622</b>	<b>-0.412</b>	<b>-10.2%</b>
<b>CLC GRAND TOTAL</b>	<b>20.664</b>	<b>17.115</b>	<b>-3.549</b>	<b>-17.2%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.340	0.340	Scheme design accelerated. Agreed and funded by Heritage Lottery Fund grant.
0.500	0.500	
0.200	0.200	
0.059	0.255	Scheme delayed due to requirement for planning permission.
2.223	1.932	Scheme slippage (Meath Gardens) due to contractor delays. Funded by section 106 developer contributions.
0.126	0.126	Retention still outstanding pending resolution of dispute with contractor.
0.014	0.014	Programme extended to 2010/11.
0.014	0.014	
0.100	0.100	
0.018	0.018	Scheme delayed due to unresolved issues with DLR.
0.309	0.273	
<b>3.903</b>	<b>3.772</b>	
<b>17.213</b>	<b>17.338</b>	



Space for sports & art	0.057	0.003	-0.054	-94.7%
Osmani (mixed funding)	0.150	0.155	0.005	3.3%
LSC	0.010	0.010	0.000	0.0%
National Institute of Adult Continuing Education	0.040	0.040	0.000	0.0%
Youth Capital Fund	0.194	0.209	0.015	7.7%
Fair Play Pathfinder	0.856	1.595	0.739	86.3%
ISPP	0.019	0.019	0.000	0.0%
Other ICT	1.454	0.000	-1.454	-100.0%
City Learning Centre	0.150	0.225	0.075	50.0%
New Opportunities Fund	0.019	0.019	0.000	0.0%
Integrated Children's Services	0.066	0.066	0.000	0.0%
<b>SECTION 106</b>				
BJ / Manorfield schools expansion	2.961	2.935	-0.026	-0.9%
Bishop Square	0.016	0.049	0.033	206.3%
<b>RATES DRAWDOWN</b>				
Various sites	0.700	0.587	-0.113	-16.1%
<b>CSF MAINSTREAM TOTAL</b>	<b>24.578</b>	<b>18.416</b>	<b>-6.162</b>	<b>-25.1%</b>

0.057	0.057	Spend due in 2010/11, delays in contractor completing defective works.
0.150	0.706	
0.010	0.010	
0.040	0.040	
0.193	0.020	
0.856	0.856	Full government grant funding allocated and spent.
0.019	0.019	
1.454	0.000	Projects to be agreed for expenditure in 2010/11.
0.150	0.150	Excess funded by modernisation.
0.000	0.000	
0.000	0.000	
2.961	2.961	
0.016	0.000	Spend transferred from Development & Renewal code.
0.732	1.133	Professional Development Centre scheme was part funded from LPP capital receipts resources.
<b>23.533</b>	<b>24.889</b>	

**CHILDREN, SCHOOLS AND FAMILIES (CSF)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>LOCAL PRIORITIES PROGRAMME</b>				
Bishop Challoner Community	0.935	0.000	-0.935	-100%
Youth Service ( BMX Mile End )	0.100	0.005	-0.095	-95%
Professional Development Centre	0.199	0.199	0.000	0%
Harry Gosling	0.015	0.003	-0.012	-80%
School meals kitchen improvements	0.014	0.000	-0.014	-100%
<b>CSF LPP TOTAL</b>	<b>1.263</b>	<b>0.207</b>	<b>-1.056</b>	<b>16%</b>
<b>CSF GRAND TOTAL</b>	<b>25.841</b>	<b>18.623</b>	<b>-7.218</b>	<b>-27.9%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.000	0.000	Contribution to school development project to be agreed
0.151	0.151	Delays occurred as further funding was required. This has now been resolved.
0.015	0.015	
0.015	0.014	Project delayed due to contractor dispute, spend will take place in 2010/11.
0.000	0.000	Spend will take place in 2010/11 to complete the project.
<b>0.181</b>	<b>0.180</b>	
<b>23.714</b>	<b>25.069</b>	

**BUILDING SCHOOLS FOR THE FUTURE (BSF)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>MAINSTREAM PROGRAMME</b>				
Wessex Centre	4.000	3.209	-0.791	-19.8%
St Paul's Way	11.500	16.856	5.356	46.6%
Bethnal Green Technology College	9.200	9.963	0.763	8.3%
Swanlea	0.050	0.007	-0.043	-86.0%
Sir John Cass	5.990	2.749	-3.241	-54.1%
Oaklands	4.147	0.057	-4.090	-98.6%
Morpeth	8.299	2.806	-5.493	-66.2%
Raine's Foundation	0.050	0.008	-0.042	-84.0%
PRU Harpley	0.050	0.016	-0.034	-68.0%
Ian Mikardo	0.050	0.175	0.125	250.0%
Central Foundation	0.050	0.000	-0.050	-100.0%
Bowden House	0.050	0.030	-0.020	-40.0%
Beatrice Tate	0.050	0.005	-0.045	-90.0%
Stepney Green	0.050	0.000	-0.050	-100.0%
Phoenix	0.050	0.000	-0.050	-100.0%
Langdon Park	0.050	0.000	-0.050	-100.0%
Bow Boys	0.050	0.000	-0.050	-100.0%
<b>BSF MAINSTREAM TOTAL</b>	<b>43.686</b>	<b>35.881</b>	<b>-7.805</b>	<b>-17.9%</b>
<b>LOCAL PRIORITIES PROGRAMME</b>				
BSF Wave 5	2.790	0.000	-2.790	-100.0%
<b>BSF LPP TOTAL</b>	<b>2.790</b>	<b>0.000</b>	<b>-2.790</b>	<b>-100.0%</b>
<b>BSF GRAND TOTAL</b>	<b>46.476</b>	<b>35.881</b>	<b>-10.595</b>	<b>-22.8%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
4.000	4.000	Some residual works have been taking place. Payment timing difference in 2010/11.
11.500	11.500	Accelerated construction work as there was a potential delay to school opening date.
9.200	9.200	
0.000	0.000	Design and architectural review has not progressed in 2009/10, but will take place in 2010/11
0.000	0.000	Some asbestos issues have created delays in construction in 2009/10. This will accelerate in 2010/11.
0.000	0.000	Financial Close did not take place in 2009/10. This has now happened and work will progress in 2010/11.
0.000	0.000	Construction has not progressed well in 2009/10 due to site issues. This will accelerate in 2010/11.
0.000	0.000	Design and survey works have not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Project, preliminary and design costs have been paid.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Planning permission refused, hence no progress made in 2009/10. Appeal is being undertaken and it is expected to have a successful outcome.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
0.000	0.000	Work has not progressed in 2009/10. This will take place in 2010/11.
<b>24.700</b>	<b>24.700</b>	
0.550	2.790	This budget provision was agreed by Cabinet to fund the ongoing works required to deliver Wave 5 of the BSF programme. £550k has been spent in 2009/10 and is included in the spend figures shown above. The remaining £2.24m is required to fund the programme over the next few years again at £550k each year.
<b>0.550</b>	<b>2.790</b>	
<b>25.250</b>	<b>27.490</b>	

Corporate DDA programme (2009/10)	0.500	0.000	-0.500	-100.0%
Corporate DDA programme (prior years)	1.000	0.745	-0.255	-25.5%
DDA improvements to public access points	0.433	0.433	0.000	0.0%
Accommodation Strategy	2.084	0.015	-2.069	-99.3%
FM Accommodation Strategy - 7th floor Anchorage Hse	0.086	0.000	-0.086	-100.0%
Rushmead	0.065	0.065	0.000	0.0%
ICT	0.941	0.719	-0.222	-23.6%
Software Licences (RCCO)	1.032	1.032	0.000	0.0%
Telephony Invest to Save	1.138	1.138	0.000	0.0%
<b>CHIEF EXEC &amp; RESOURCES TOTAL</b>	<b>7.279</b>	<b>4.147</b>	<b>-3.132</b>	<b>-43.0%</b>

0.500	0.500	To be spent in 2010/11
1.000	1.000	Remainder for Professional Development Centre DDA works which were awaiting listed building consent (now received). Works start July 2010.
0.433	0.433	
2.084	2.084	To be used in the next phase of the Accommodation Strategy. £1 million allocated recently to fund Idea Store, Watney Market.
0.000	0.000	To be used when Anchorage House is vacated to fund dilapidations costs.
0.065	0.065	
0.941	0.941	Slippage on programme, balance is committed in 2010/11.
0.000	0.000	
0.000	0.000	
<b>5.023</b>	<b>5.023</b>	

**ADULTS HEALTH AND WELLBEING (AHWB)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
<b>MAINSTREAM PROGRAMME</b>							
09/10 Mental Health Single Capital Pot	0.169	0.088	-0.081	-47.9%	0.069	0.264	£59k of committed resources carried forward to 2010/11 programme due to works not completed. In some cases schemes have been committed but works not started due to delay in tenders. Committed resources relate to multiple contractors.
Social Care Grant - Essential Health &	0.123	0.123	0.000	0.0%	0.123	0.123	
07/08 Mental Health supported capital expenditure	0.046	0.046	0.000	0.0%	0.046	0.046	
07/08 Local Implementation Plan	0.150	0.029	-0.121	-80.7%	0.031	0.150	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
07/08 Improving care-home environment	0.017	0.000	-0.017	-100.0%	0.004	0.017	
08/09 Mental Health Single Capital Pot	0.168	0.168	0.000	0.0%	0.168	0.168	
08/09 Social IT infrastructure grant	0.090	0.000	-0.090	-100.0%	0.030	0.090	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
09/10 Social IT infrastructure grant	0.095	0.000	-0.095	-100.0%	0.000	0.000	Grants from DoH for Social Care IT are all to be spent on Framework-I project, which has a go live date of July 2010. Resources carried forward to meet 2010/11 costs of project, which could not complete in 2009/10.
<b>AHWB MAINSTREAM TOTAL</b>	<b>0.858</b>	<b>0.454</b>	<b>-0.404</b>	<b>-47.1%</b>	<b>0.471</b>	<b>0.858</b>	
<b>LOCAL PRIORITIES PROGRAMME</b>							
Single assessment process	0.150	0.000	-0.150	-100.0%	0.150	0.150	Project completed under budget. This LPP resource (prudential borrowing) is no longer required by AHWB.
Electronic Homecare Monitoring(2)	0.150	0.090	-0.060	-40.0%	0.000	0.150	Delays occurred on project. Further spend will take place in 2010/11 with a likely small underspend on completion of the project.
LIFT Co Fees	0.056	0.043	-0.013	-23.2%	0.043	0.056	
Russia Lane Day Centre	0.008	0.008	0.000	0.0%	0.008	0.008	
Electronic Homecare Monitoring	0.210	0.000	-0.210	-100.0%	0.080	0.110	Delays occurred on project. Further spend will take place in 2010/11 with a likely small underspend on completion of the project.
<b>AHWB LPP TOTAL</b>	<b>0.574</b>	<b>0.141</b>	<b>-0.433</b>	<b>-75.4%</b>	<b>0.281</b>	<b>0.474</b>	
<b>AHWB GRAND TOTAL</b>	<b>1.432</b>	<b>0.595</b>	<b>-0.837</b>	<b>-58.4%</b>	<b>0.752</b>	<b>1.332</b>	

**DEVELOPMENT & RENEWAL (D&R)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>MAINSTREAM PROGRAMME</b>				
Bishop's Square	0.500	0.178	-0.322	-64.4%
Housing Pot Targeted Funding	0.810	0.100	-0.710	-87.7%
Millennium Quarter	0.200	0.130	-0.070	-35.0%
Roman Road Shops	0.220	0.020	-0.200	-90.9%
<b>D&amp;R MAINSTREAM TOTAL</b>	<b>1.730</b>	<b>0.428</b>	<b>-1.302</b>	<b>-75.3%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.500	0.500	The D&R element of Bishop Square Section 106 scheme incorporates a budget of £500k. The unspent resources are not specific to a particular financial year and it is anticipated that they will be fully utilised during 2010/11.
0.170	0.250	Funding of approximately £7.27m has been secured from the DCLG to facilitate the regeneration of St. Clement's Hospital site and to undertake masterplanning on the Birchfield and Malmesbury Estates. The masterplanning contracts have been let and expenditure will be incurred during 2010/11. Expenditure during 2009/10 was below the profiled level, however the funds are not specific to a particular financial year and will be carried forward for utilisation in 2010/11.
0.178	0.178	This project is fully financed from Section 106 resources. The expenditure is approximately in line with the estimated profile.
0.030	0.030	This scheme is funded through LABGI grant. Due to the timing of the commencement of the scheme, it is anticipated that the majority of expenditure will now be incurred in 2010/11. The resources are not time limited and will be carried forward to fund the programme.
<b>0.878</b>	<b>0.958</b>	

**DEVELOPMENT & RENEWAL (D&R)**

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m
<b>LOCAL PRIORITIES PROGRAMME</b>				
Private Sector and Affordable Housing	2.500	0.000	-2.500	-100.0%
Whitechapel Centre	0.750	0.563	-0.187	-24.9%
Disabled Facilities Grants	1.000	0.626	-0.374	-37.4%
Emergency Works Contingency	1.000	0.000	-1.000	-100.0%
Installation of Automatic Energy Meters	0.200	0.000	-0.200	-100.0%
High Street 2012	0.400	0.239	-0.161	-40.3%
Private Sector Renewal Grants	0.850	0.814	-0.036	-4.2%
<b>D&amp;R LPP TOTAL</b>	<b>6.700</b>	<b>2.242</b>	<b>-4.458</b>	<b>-66.5%</b>
<b>D&amp;R GRAND TOTAL</b>	<b>8.430</b>	<b>2.670</b>	<b>-5.760</b>	<b>-68.3%</b>

Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
0.000	0.000	The capital receipts and developer contributions earmarked for these projects were not utilised in the current financial year. The resources will now be applied in future years towards the financing of major regeneration schemes including Blackwall Reach, as agreed by Cabinet in July 2009.
0.750	0.750	This scheme is fully funded through Big Lottery grant. Expenditure is being incurred in accordance with grant conditions.
0.700	0.650	This is a demand-led budget. Although expenditure was significantly below that anticipated, disabled facilities grant commitments entered into, in addition to the payments made, mean that the grant entitlement from Government subsidy will be maximised.
0.000	0.000	This contingency was established as part of the 2009/10 budget process. No calls on the provision were made during 2009/10 and the full contingency will be carried forward to be utilised as necessary in future years.
0.200	0.200	Although this scheme was commissioned towards the end of the financial year, it is anticipated that expenditure will be fully incurred during 2010/11.
0.200	0.400	Contracts were entered into for this three year project towards the end of 2009-10, and significant additional resources have been generated from external bodies as reported to Cabinet on 13 January 2010. These resources are forecast to be spent in future years. It was anticipated that £200,00 of the initial profiled expenditure of £400,000 would be incurred in the current financial year, however the funding is not time limited and will be carried forward into 2010-11.
0.850	0.850	Expenditure and commitments were in line with the budget profile anticipated.
<b>2.700</b>	<b>2.850</b>	
<b>3.578</b>	<b>3.808</b>	

## HOUSING REVENUE ACCOUNT (HRA)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
<b>MAINSTREAM PROGRAMME</b>							
Ocean New Deal for Communities	11.189	13.511	2.322	20.8%	11.189	11.189	This project was profiled to be solely funded from New Deal for Communities grant in 2009-10, with the Authority's agreed resources being applied over the next three financial years. However to ensure that the scheme progressed in accordance with Government Office for London grant conditions, elements of the programme were brought forward from later years. This necessitated applying additional resources in 2009-10, but this will reduce the commitment in later years.
Blackwall Reach	2.000	2.401	0.401	20.1%	2.400	3.000	The Blackwall Reach project represents a £13 million commitment over three financial years. In addition, resources of £1.1 million were carried forward into 2009-10 to fund on-going leaseholder buybacks. Initial estimates were that expenditure of £2,000,000 would be incurred in 2009-10, with £4,000,000 in 2010-11 and £7,000,000 in 2011-12. This profile is flexible however, with resources in place to adapt the profiled expenditure as necessary.
Mainstream Programme	28.928	26.089	-2.839	-9.8%	28.928	27.928	The mainstream Housing Capital programme is managed by Tower Hamlets Homes on behalf of the Authority and incorporates work to the Council's own stock. The initial budget of £24.928 million was increased by £3.0 million through the bringing forward of resources from 2010-11 (Cabinet - 29 July 2009) and an allocation of £1.0 million towards Meeting Decent Homes from the Accelerated Delivery Programme (Cabinet - 4 November 2009). However these initiatives have been reprofiled with resources being carried forward into later years.
Social Housing Energy Savings Programme	1.430	0.404	-1.026	-71.7%	1.430	0.000	The Homes and Communities Agency awarded the Authority £2,070,000 of funding under the Social Housing Energy Savings Programme to deliver cavity wall insulation to its social housing units. The initial grant agreement was that £1.43 million would be incurred in 2009-10, with the remaining £640,000 to be incurred in 2010-11. This funding profile was subsequently revised in conjunction with the HCA, with the Authority carrying the unutilised element forward to fund the expenditure which is fully committed in 2010-11.
Cotall Street / Bartlett Park	0.250	0.249	-0.001	-0.4%	0.000	0.000	This scheme was approved by Cabinet in November 2009. The expenditure incurred in 2009-10 was in line with the projection.
<b>HRA MAINSTREAM TOTAL</b>	<b>43.797</b>	<b>42.654</b>	<b>-1.143</b>	<b>-2.6%</b>	<b>43.947</b>	<b>42.117</b>	



## HOUSING REVENUE ACCOUNT (HRA)

	Budget at 31-Mar-10 £m	Spend to 31-Mar-10 £m	Variance £m	Variance as % of Budget £m	Projected Spend at Q3 £m	Projected Spend at Q2 £m	REASONS FOR VARIANCES
<b>LOCAL PRIORITIES PROGRAMME</b>							
Overcrowding strategy	9.700	17.585	7.885	81.3%	18.000	14.000	The Overcrowding Strategy represents a £19.4 million commitment over two financial years. The initial Cabinet report estimated that expenditure of £9.7 million would be incurred in 2009-10, with the same amount in 2010-11. As is the case with Blackwall Reach, this profile is flexible, with resources being in place to finance the expenditure in earlier years as necessary. The level of interest in the scheme meant that the number of completions during the financial year was significantly higher than initial projections anticipated. Resources were therefore brought forward into 2009-10 within a corresponding decrease in the available budget for 2010-11.
Building Britain's Future	0.860	0.105	-0.755	-87.8%	0.000	0.000	Funding was allocated to the Building Britain's Future, Council Housebuilding initiative during 2009-10, to fund the on-costs associated with the development of the projects. The work on these schemes straddles the 2009-10 and 2010-11 financial years and the funding will be fully utilised in 2010-11.
<b>HRA LPP TOTAL</b>	<b>10.560</b>	<b>17.690</b>	<b>7.885</b>	<b>74.7%</b>	<b>18.000</b>	<b>14.000</b>	
<b>HRA GRAND TOTAL</b>	<b>54.357</b>	<b>60.344</b>	<b>5.987</b>	<b>11.0%</b>	<b>61.947</b>	<b>56.117</b>	

## APPENDIX 2

Project	Year of original allocation	Available Allocation at 1/4/09	Expenditure funded by Capital Receipts in 2009/10	Remaining allocation at 31/3/10
Southern Grove - Roof Improvements	2003/04	0.002	-	0.002
Introduction of Food Regeneration Kitchens at Schools	2004/05	0.005	-	0.005
Poplar Public Mortuary	2004/05	0.004	-	0.004
Improvements to School Meal Kitchens	2005/06	0.002	-	0.002
Preliminary Works for Building Schools for the Future	2005/06	0.000	-	0.000
Youth Service Accommodation Strategy	2005/06	0.100	( 0.005)	0.094
Rampart Street CPO	2005/06	0.036	-	0.036
Schools kitchen refurbishment and modernisation	2006/07	0.007	-	0.007
Harry Gosling School Loan	2006/07	0.015	( 0.002)	0.012
Idea Stores Finance	2006/07	0.126	( 0.004)	0.122
LIFT Co Fees	2006/07	0.056	( 0.043)	0.012
Business Continuity Planning	2007/08	0.036	( 0.024)	0.012
ICT	2007/08	0.941	( 0.720)	0.222
Essential Health & Safety	2007/08	0.269	-	0.269
Accommodation Strategy	2007/08	2.084	( 0.015)	2.068
20mph zones	2007/08	0.014	( 0.005)	0.009
Bishop Challoner Community Facilities	2008/09	0.110	-	0.110
Corporate DDA Programme	2008/09	0.500	-	0.500
Asset Management Programme	2008/09	0.128	-	0.128
Mandatory Disabled Facilities Grant	2008/09	0.261	-	0.261
Langdon Park Station	2008/09	0.017	-	0.017
Bishop Challenor Community Facilities	2009/10	0.435	-	0.435
Osmani Youth Centre	2009/10	1.300	( 0.056)	1.244
Bancroft Library	2009/10	0.255	( 0.052)	0.203
Mandatory Disabled Facilities Grants	2009/10	0.412	( 0.189)	0.223
Emergency Works Contingency	2009/10	1.000	-	1.000
Street Lighting Improvements	2009/10	0.200	( 0.199)	0.001
Installation of Automatic Energy Meters	2009/10	0.200	-	0.200
High Street 2012	2009/10	0.200	-	0.200
Discretionary Disabled Facilities Grants	2009/10	0.724	( 0.637)	0.087
Corporate DDA Programme	2009/10	0.500	( 0.245)	0.255
HRA Buybacks scheme funded from LPP - Decent Homes Reserve to reimburse LPP in 2010/11	2009/10	-	( 3.658)	( 3.658)
<b>TOTALS</b>		<b>15.470</b>	<b>( 11.387)</b>	<b>4.083</b>