

MIDDLESBROUGH COUNCIL
OVERVIEW AND SCRUTINY BOARD

2nd Capital Monitoring Review 2015/2016

Executive Member for Finance & Governance

Executive Director Commercial & Corporate Services

14 June 2016

PURPOSE OF THE REPORT

1. To present to Overview and Scrutiny Board an update on the Council's capital programme (2013/2014 to 2017/2018).

SUMMARY OF RECOMMENDATIONS

2. Overview and Scrutiny Board are asked to:
- a) Note that £396,000 more resources, are required for the capital programme from the Council. This will be funded from the current under-programming resources available and requires no further borrowing.
 - b) Note the increase in the overall capital programme of £6.063 million, and that external funding has been successfully brought into Middlesbrough, including from the Arts Council and Public Health England, as well as additional grants
 - c) Note the net re-profiling of £9.026 million in this review in addition to £8.816 million in the 1st Review totalling £17.842 million (30% of the original 2015/2016 budget) and the significant work identified in the report that is ongoing to address this. This does not involve any addition capital expenditure
 - d) Note the overall capital programme for the period to 2017/2018 as outlined in Appendix E.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

✓

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

✓

If urgent please give full reasons

EXECUTIVE SUMMARY

5. This report provides Members with an updated position on the current approved capital programme including available capital receipts to 2017/2018, based on information to date.
6. The report identifies the changes to the capital programme since it was last reported to Executive in the Capital Outturn Report on 3rd November 2015.
7. The five year capital budget 2013/2014 to 2017/2018 has increased by £6.063 million to a total of £200.970 million. This increase is mainly due to external funding that has been successfully brought into Middlesbrough, including from the Arts Council and Public Health England, as well as additional grants
8. The increase in funding required from Council resources is £396,000. This will be funded from the current under-programming resources available and requires no further borrowing.
9. The changes in gross expenditure over the 5 year programme since the last review by Outcome are summarised in the table below:

Service	5 Year Budget 31 March 2015 £000's	5 Year Budget To date 2015 £000's	Change £000's
Outcome 1 – Economic Development	104,728	106,462	1,734
Outcome 2 – Supporting Communities	42	42	0
Outcome 3 – Improving Public Health	0	750	750
Outcome 4 – Learning & Skills	23,279	25,793	2,514
Outcome 6 – Social Care	7,935	9,500	1,565
Outcome 7 – Environment Property & Commercial Services	43,294	43,294	0
Outcome 9 – Organisation & Governance	15,629	15,129	-500
Total Increase in Gross Expenditure	194,907	200,970	6,063

10. At the beginning of 1 April 2015 the total capital budgets for 2015/2016 totalled £55.601 million. At the first review £8.816 million of slippage was reported. In this second review a further £9.026 million is being reported totalling £17.842 million. Allowing for a net increase in the budget of £3.118 million for new projects in 2015/2016 the slippage represents 30% of the starting budget. This is clearly a significant proportion of the budget which has not delivered as originally planned. The split of this by outcome is shown in the following table. Significant work ongoing to address this and improve the project management framework.

Service	Budget 2015/2016 1 April 2015 £000's	1 st Review Slippage £000's	2 nd Review Slippage £000's	Total Slippage £000's	Increase Decrease to Budget £000's	Projected Outturn 2015/2016 £000's
Outcome 1 – Economic Development	32,048	-4,876	-4,694	-9,570	579	23,057
Outcome 2 – Supporting Communities	42	0	-10	-10	0	32
Outcome 4 – Learning & Skills	5,704	-1,105	-1,197	-2,302	2,237	5,639
Outcome 6 – Social Care	2,796	-220	-495	-715	77	2,158
Outcome 7 – Environment Property & Commercial Services	9,132	-1,815	-163	-1,978	-90	7,064
Outcome 9 – Organisation & Governance	5,879	-800	-2,467	-3,267	315	2,927
Total	55,601	8,816	9,026	17,842	3,118	40,877

11. Actual capital expenditure to date against 2015/2016 capital budgets of £40.9 million is £29.5 million (72%).

BACKGROUND AND EXTERNAL CONSULTATION

12. Capital expenditure is defined by the Council as expenditure which creates, enhances the value of or extends the life of an asset which is held on the Council's balance sheet.
13. This report is the second of two in-year monitoring reports to be presented to Executive during 2015/2016. The report is based on all information to date. The next capital monitoring report will be the outturn report presented to the Executive in July 2016.

Review of Capital Reporting and Governance

14. The qualification of the Value for money statement within the statement of accounts highlighted the weaknesses in project management and capital reporting.
15. The qualification referred to capital monitoring reports presenting the changes in planned spend, with extensive levels of spend being reprofiled into subsequent years, but no information is provided on the capital programme itself in terms of performance against budget or progress in the delivery of key strategic projects or the overall programme.
16. A governance improvement plan has been agreed to address issues identified by the Council's external auditor. This was considered by Corporate Affairs and Audit Committee on the 24 September 2015. This report aims to address some of those key

project management concerns by integrating progress against project milestones into the capital monitoring process.

17. In a report to LMT in December 2015 it was recommended that all programmes and projects within the Capital Programme should be included in the Corporate Change Programme.
18. An action plan was agreed between the ICT and Capital Programmes service and Internal Audit, and this was reflected in the recommendations of the report to LMT, namely:
 - That a corporate project management framework would be created and be used by all officers responsible for managing capital projects.
 - That an interim capital programme monitoring system would be established to enable reporting of progress against expenditure and milestones across all capital projects.
 - That a scoping exercise around the procurement of an ICT solution for programme and project management would be started.
 - That LMT cascade the report to managers and relevant officers to assist in achieving buy-in to the new arrangements across the organisation.
19. To that end a Project and Programme Governance Team has been established. This group will be responsible for implementing the new framework. It has representatives from each outcome area who will work with the change programme team to ensure that the framework is both fit for purpose and embedded properly across the authority. A new Project and Programme Management tool will be procured to allow accurate and transparent reporting of all projects and programmes. Critical to the embedding of this framework is the development of a training programme. This is being done in conjunction with Middlesbrough College so that all officers responsible for the management of all or part of a programme or project will go through a structured training programme to assist them in delivering programmes and projects on behalf of Middlesbrough Council.
20. In the interim a piece of work has been carried out to give an accurate as view as possible of the capital programme by reviewing projects within in outcome area and monitoring progress against milestones. Going forward; milestones will need to be provided for the whole life of the project rather than by financial year to ensure that outcomes can be assessed against the whole life of the project. As new Project Initiation Documents are produced and milestones set this will become the norm. Collaborative working between the Finance and Investments and The Change Programme Team will provide a mechanism to assess what we have actually spent in the capital programmes against what we asked for in the bidding process.
21. Following meetings with each outcome area, the Change Programme Team are in the process of collating milestone and outcome information for projects within the capital programme (by outcome area). The financial information being provided by the accountants and the outcomes being collated (where they are documented) from the capital appraisal forms. From the project management point of view we are aiming to be able to flag what is happening in terms of milestones and produce the relevant change controls where they are needed. Where there is a specific financial impact this will be demonstrated.
22. The programme office, in conjunction with finance, will compile a quarterly report to LMT that will check progress against milestones.

23. **Appendix F** is a new schedule to the report which provides a breakdown scheme by scheme of the information in the table at paragraph 10 above and in addition shows expenditure and commitments to date and progress against milestones for key schemes within the capital programme, appreciating as set out above that this is an interim solution, is not yet complete and is still being developed.
24. It is clear that there is still significant progress yet to be made in addressing the problems given that £18 million of expenditure has been slipped since the beginning of the financial year.

CHANGES IN GROSS EXPENDITURE AND RESOURCES

25. The significant projects, which make up the £6.063 million additional gross expenditure over the programme, are set out in paragraphs 26 to 35 below. Only variations above £100,000 are reported.

Outcome 1

• **Local Transport Plan** **£328,000**

Funding Source	External	Council	Total
	£328,000	£0	£328,000

26. The Council is in receipt of two grants totalling £319,136 from the Department for Transport to compliment the wider works already being undertaken on highways projects. £28,000 has been spent on revenue projects in 2014/2015, the remainder will be used on capital projects in 2015/2016 and future years. The total Local Transport Plan allocation has increased by a further £37,000 from other smaller contributions.

• **Town Centre Monitoring and Wifi** **-£110,000**

Funding Source	External	Council	Total
	-£110,000	£0	-£110,000

27. When the Town Centre Monitoring & WIFI project was created it was envisaged that the Council capital outlay would be complimented by external grants of £110,000. The Council's resources are being used for the acquisition and installation of footfall cameras and the provision of wifi in the town centre. If the Council had been successful in obtaining external grants it would have allowed the project to widen the catchment areas of both, however, no such grants have materialised meaning the project will concentrate purely on the town centre.

• **Town Hall Arts Council Project** **£500,000**

Funding Source	External	Council	Total
	£500,000	£0	£500,000

28. The Council has been awarded a grant of £500,000 from the Arts Council for the development of fit for purpose technical and performance infrastructure in the Town Hall. The grant will be used to replace the concert hall stage and choir stalls, renew and or improve technical infrastructure and the replacement and enhancement of bars and

catering equipment. As part of the Councils conditions the grant must be spent within 2016/2017.

• **Affordable Housing** **£830,000**

Funding Source	External	Council	Total
	£0	£830,000	£830,000

29. A report proposing to make deductions from certain capital receipts to fund initiatives such as affordable housing, in place of S106 arrangements, was approved at Executive. Reports referring to the sale of the former Prissick Depot and the Clairville Stadium site include such agreements. In accordance with the Executive reports the total sum of £830,000 requires adding to the capital programme.

Outcome 3 Improving Public Health

• **Dundas House** **£750,000**

Funding Source	External	Council	Total
	£750,000	£0	£750,000

30. This project will create a Health and Wellbeing Hub operated from a town centre location that combines the following services:
- A recovery and treatment support services for alcohol and drug misuse clients with medical support and needle exchange continuing to be also delivered from Fulcrum Medical Centre and community pharmacies.
 - a wide range of public health preventative services, with emphasis on tackling lifestyle risk factors such as weight management and nutrition, physical activity, smoking cessation, mental health and sexual health services.
 - support services from housing providers, Job Centre Plus, Citizen's Advice Bureau and voluntary/community groups all providing in-reach support and advice to ensure that the holistic and 'one-stop-shop' provision.
 - maximise provision from the hub, reduce the duplication and ensure referral pathways can be agreed.

Total project cost is estimated at £750,000 with funding for the project from a Public Health England capital grant of £300,000 and £450,000 from the public health grant allocation.

Outcome 4 – Learning & Skills

• **Newport Primary Classroom** **£168,000**

Funding Source	External	Council	Total
	£168,000	£0	£168,000

31. This is a new scheme at Newport Primary, involving alterations and an extension to the buildings. This will be funded from approved school resources.

• **Acklam Grange Classroom Extension** **£620,000**

Funding Source	External	Council	Total
	£0	£620,000	£620,000

32. This approved scheme is for classroom extension work at Acklam Grange School

• **Abingdon Primary Children's Centre Alterations** **£202,000**

Funding Source	External	Council	Total
	£0	£202,000	£202,000

33. This is a new scheme for alterations and improvements works on the Children's Centre at Abingdon Primary.

• **School Condition Grant** **£956,000**

Funding Source	External	Council	Total
	£956,000	£0	£956,000

34. The 2015/2016 School Condition Grant allocation of £956,000 is to be used to support capital works at schools and will be called upon as and when needed.

Outcome 6 – Social Care

• **Better Care Funding** **£1,564,000**

Funding Source	External	Council	Total
	£1,564,000	£0	£1,564,000

35. The 2016/2017 grant allocation of £1,564,000 has been confirmed and has been allocated as follows:

- Social Care Capital £422,000
- Disabled Facilities Grant £1,142,000

36. All scheme variations are shown by outcome and individual schemes in **Appendix A**.

RE-PROFILING OF EXPENDITURE BETWEEN FINANCIAL YEARS.

37. Schemes to the gross value of £9.686 million have been re-profiled into later years from 2015/2016. This is in addition to the £8.816 million in the first review. Schemes totalling £0.660 million have been brought forward into 2015/2016 a net overall position of £9.026 million. The table below summarises the re-profiling by outcome:

Service	Re-profiled from 2015/2016 £000's	b/fwd to 2015/2016 £000's	Net Re-profiling To future years £000's
Outcome 1 – Economic Development	5,203	509	4,694
Outcome 2 – Supporting Communities	10	0	10
Outcome 4 – Learning & Skills	1,197	0	1,197
Outcome 6 – Social Care	587	92	495
Outcome 7 – Environment Property & Commercial Services	222	59	163
Outcome 9 – Organisation & Governance	2,467	0	2,467
Total	9,686	660	9,026

38. The key projects which have been re-profiled and the reasons are set out as follows in paragraphs 39 to 63. Only variations above £100,000 are reported. All re-profiled items are listed in full in Appendix C and D. The funding stream relating the re-profiling is shown for each project.

Outcome 1

- Housing Regeneration – Gresham Phase 1** **£1,083,000**

Funding Source	External	Council	Total
	£1,083,000	£0	£1,083,000

39. The vast majority of properties within Gresham Phase 1 have now been acquired and the site is largely demolished. £1,083,000 of funds requires re-profiling into 2016/2017 to acquire the remaining properties and complete the demolition phase of the project.

- Housing Regeneration – House to Home** **£144,000**

Funding Source	External	Council	Total
	£144,000	£0	£144,000

40. This product has proved to be very successful with 100% take up of available grants to bring empty properties back into use. The grants are paid upon confirmation from the home owners that the properties have been refurbished to decent homes standard. It is envisaged that whilst works are being undertaken, such confirmation on some of the remaining grants will not be received prior to the end of the financial year so £144,000 requires re-profiling into 2016/2017.

- Housing Regeneration – Housing Delivery Vehicle** **£200,000**

Funding Source	External	Council	Total
	£200,000	£0	£200,000

41. The Housing Delivery Vehicle is predicated on the Council acquiring properties that will be refurbished and managed by an external partner. The draft lease agreement between the parties has yet to be finalised and in the absence of an agreement it was not considered

prudent to progress with the property acquisitions and consequently the earmarked expenditure of £200,000 has been re-profiled into 2016/2017.

• **TWI Phase 1 (Teesside Advanced Manufacturing Park) £300,000**

Funding Source	External	Council	Total
	£300,000	£0	£300,000

42. The element of the building that has been part funded by the European Regional Development Fund (ERDF) has been fully constructed in accordance with all funding regime requirements. Works are coming to a conclusion on the other element and the building is scheduled for handover on the 18th April 2016. £300,000 of funds are required to be re-profiled into 2016/2017 to pay for completion works being undertaken in April 2016.

• **Site Assembly Middlehaven £1,308,000**

Funding Source	External	Council	Total
	£1,093,000	£215,000	£1,308,000

43. Site assembly works at Middlehaven are progressing well. On the 3rd September 2015, the Council received formal written confirmation (without modification) from the Secretary of State for Communities and Local Government, with respect to the Middlesbrough (Middlehaven) compulsory purchase order. This determination followed the public enquiry into the Order on the 31st March 2015. Prior to confirmation of the Order the Council had successfully negotiated the acquisition of the final residential property thus leaving only two parcels of land within the former Central Industrial Area that the Middlehaven Partners had been unable to acquire voluntarily. The Council is now looking to issue General Vesting Declaration on the remaining properties in order to acquire the land. Of the remaining properties to acquire, one will be finalised by June 2016 and the other by January 2017.

• **Hemlington Grange Electrical Connection £1,453,000**

Funding Source	External	Council	Total
	£0	£1,453,000	£1,453,000

44. The original plans for the provision of electricity at Hemlington have been revised and works have now commenced. The second instalment for payment of the works is due in six months, with the final instalment due six months thereafter.

• **Clairville Common £102,000**

Funding Source	External	Council	Total
	£0	£102,000	£102,000

45. Flooding has delayed the planned landscaping works at Clairville Common, which was not factored into the project timeline. These works are now expected to be undertaken in 2016/2017 when the grounds are in a better condition.

• **Gresham Phase 2A** **-£192,000**

Funding Source	External	Council	Total
	-£192,000	£0	-£192,000

46. £192,000 of the Gresham Phase 2a funds require re-profiling into 2015/16 from 2016/17 and future years. This scheme had uncommitted resources in 2016-17 so it was approved that part of this should be used to fund the construction of Amber Street Car Park in 2015/2016, rather than using revenue funding as originally anticipated.

• **Investing In Regeneration To Drive Economic Growth** **£192,000**

Funding Source	External	Council	Total
	£0	£192,000	-£192,000

47. £192,000 of the Investing In Physical Regeneration to Drive Economic Growth block budget has been re-profiled into 2015/16 in order to pay for unexpected abnormal works at the Middlehaven Urban Park.

Outcome 4

• **Supported Capital Expenditure Funding Block Budget** **£575,000**

Funding Source	External	Council	Total
	£0	£575,000	£575,000

48. This block budget managed by Middlesbrough Asset Management Team is to be spent on expanding Special Educational Needs (SEN) provision within Middlesbrough. It is anticipated some of this funding will need to be utilised to support a Basic Need scheme in future years, as pupil projections show we won't have the capacity within schools that will be required.

• **Early Years 2 Year Old Entitlement** **£165,000**

Funding Source	External	Council	Total
	£165,000	£0	£165,000

49. This funding is to expand Nursery Provision for two year olds in Middlesbrough. The last grant panel responsible for allocating this money was held in February 2016 confirming that it will now be spent in summer 2016 on specific school projects.

• **Securing Services for Children with Complex Needs** **£295,000**

Funding Source	External	Council	Total
	£295,000	£0	£295,000

50. On the 2nd June 2015 Executive agreed to a proposal to create a residential resource for Children with Disabilities. Work is on-going to identify a suitable property to develop.

- Local Authority Capital Maintenance & Basic Needs** **£131,000**

Funding Source	External	Council	Total
	£131,000	£0	£131,000

51. This is a block budget held for specific schools, to be used on capital enhancement projects when required. Due to Health & Safety issues the majority of these projects are completed during school holidays so it is anticipated the majority of this money will be spent in summer 2016.

Outcome 6

- Disabled Facility Grant** **£226,000**

Funding Source	External	Council	Total
	£0	£226,000	£226,000

52. This expenditure is demand led. Staff shortages earlier in the year resulted in a delay in the number of referral's received.

- Community Capacity Grant** **£254,000**

Funding Source	External	Council	Total
	£254,000	£0	£254,000

53. The re-profiling on this affects 3 specific schemes:

- Conservatory at Cumberland Resource Centre £74,000
Work has been delayed due to the requirement for additional unexpected ground testing, results of which are pending.
- Connect Equipment £74,000
Rolling programme of replacing obsolete equipment is currently underway which will continue into 2016/2017.
- Albert Park Pavilion refurbishment £106,000
Tenders are currently being compiled with the majority of the works to be completed in 2016/2017.

Outcome 7

- Middlesbrough Sports Village** **£100,000**

Funding Source	External	Council	Total
	£0	£100,000	£100,000

54. Additional work is required on the surrounding paths and landscaping. The specification of the works is currently being finalised and it is likely to be undertaken in the early stages of 2016/2017. On the 17 February, Executive Sub-Committee for Property agreed to a proposal for the disposal of the car park. This involves a contribution of land and cash to the value of the construction of the car park which was £2.3 million. This updated position

has now been reflected in the overall financing assumptions regarding the capital programme in this report.

Outcome 9

• **Agresso** **£225,000**

Funding Source	External	Council	Total
	£0	£225,000	£225,000

55. This scheme is expected to re-profile £225,000 into 2016/2017. This is due to implementation problems regarding the HR/Payroll element and the budget that has slipped will be used to fund the solution.

• **Customer Relations Manager** **£139,000**

Funding Source	External	Council	Total
	£0	£139,000	£139,000

56. Part of this budget has been re-profiled into 2016/2017 so that the project can be completed. The new CRM system work has begun with the majority of the work expected to be complete by the end of the 2015/2016 with the final work being completed early 2016/2017.

• **Unified Comms/Voip Upgrade** **£100,000**

Funding Source	External	Council	Total
	£0	£100,000	£100,000

57. New servers to replaced worn out equipment has been ordered and is due for delivery towards the end of March and will need to be installed and configured. This together with additional Unified Comms licences accounts for the £100,000. Agile working is programmed to go live in June 2016.

• **Town Hall Data Centre Build** **£292,000**

Funding Source	External	Council	Total
	£0	£292,000	£292,000

58. Work to the Data Centre build has been re-profiled as the original location for the Data Centre was to be the Town Hall however upon the initial examination of the location it was deemed unsuitable and economically unviable due to the extent of building work that would be required. Through discussions around the Council’s Business Continuity plan Resolution House was deemed to be more appropriate for the new Data Centre, and also cover resilience work to support Business Continuity. A scheme design has been agreed with initial work due to start in the next few weeks.

• **Server Refresh** **£180,000**

Funding Source	External	Council	Total
	£0	£180,000	£180,000

59. After reviewing server requirements within the Council this budget has been re-profiled in order to support the new I-World system which will support the Revenue and Benefits Service. This budget will also renew the Database Microsoft licence and allow the service to update the current licences that are not supported by the Microsoft Enterprise Agreement.

• **Scanning** **£300,000**

Funding Source	External	Council	Total
	£300,000	£0	£300,000

60. The business case for Scanning has not been fully developed due to resource pressures in the services from the upcoming Police and Crime Commissioner election and the EU Referendum. Re-profiling of this budget has allowed the scheme to be split into two specific areas, 'Corporate Scanning' which will remove the documents currently waiting to be scanned and free space within buildings by utilising a third party provider, and the creation of a scanning bureau within the current Civic Centre print room as part of the Council wide scanning strategy.

• **Objective Phase 4** **£300,000**

Funding Source	External	Council	Total
	£300,000	£0	£300,000

61. The iPortal scheme will have completed its roll out to all Council Services by the end of March 2016. The Objective phase 4 project was created to integrate 4 new applications into the iPortal. These are:

- Integration to a new Legal case Solution
- Integration with the new HR solution
- Agresso invoicing
- Upgrading of the current objective application to align to Windows 10

It was originally planned that this work would be completed in conjunction with the iPortal roll out, but as the roll out progressed it became clear that the iPortal needed to be functioning within the services prior to the integration taking place.

• **IT Infrastructure** **£303,000**

Funding Source	External	Council	Total
	£303,000	£0	£303,000

62. This scheme is for ICT infrastructure works undertaken on Middlesbrough Systems that are currently operated through the Partnership with Keir. The funding is for work until the financial year 2020/21 and a work plan for the funding is currently being developed with Keir.

• **IT Investment** **£394,000**

Funding Source	External	Council	Total
	£153,000	£241,000	£394,000

63. This is the funding that has been re-profiled into 2016/2017 from the IT block budgeted earmarked for several schemes in 2016/2017 which include the roll out of the Wi-Fi system and several It systems that will aid the Self-Service policy the Council are working toward.

64. Detail of all re-profiling is set out in **Appendices B and C.**

ALLOCATION OF BLOCK BUDGETS

65. The allocation of service individual block budgets is shown in detail at **Appendix D**

EQUALITY IMPACT ASSESSMENT

66. Not applicable

OPTION APPRAISAL/RISK ASSESSMENT

67. Not Applicable

FINANCIAL, LEGAL AND WARD IMPLICATIONS

68. At the 1st Review 2016, the level of under-programming, (resources exceeding expenditure) for the 5 year programme, 2013/2014 to 2017/2018 was £539,000. The position following this review shows the capital programme to be under-programmed by £143,000.

	1 st Review 2015 £000's	2nd Review 2015 £000's	Change £000's
Over / (Under)-programming	(539)	(143)	396

69. A summary of the changes in resources and under-programming is shown in the table below.

	£ million
Grants and Contributions (external)	4.515
Direct Revenue Funding	0.200
Capital Receipts	0.952
Total Additional Resources	5.667
Less	
Additional Expenditure	6.063
Reduction in under programming	0.396

70. Although the overall amount of net useable capital receipts being reported has increased by £0.952 million there has been significant slippage on the amount of receipts planned for 2015/2016. The changes to the amount of planned receipts for 2015/2016 is shown in the table below.

Budget 2015/2016 1 April 2015 £000's	1 st Review £000's	2 nd Review £000's	Total Capital Receipts Slippage £000's
11,923	12,039	6,115	5,808

71. Slippage of this amount of anticipated resources would normally have had a significant impact on the capital resources available to the Council and to the cost of financing capital. This has been off-set however by the £18 million slippage of expenditure of which £8.7 million was funded from the Council's own resources.
72. The overall programme allowing for changes in expenditure and resources is summarised at **Appendix E**.
73. **Legal Implications** – Not applicable.

RECOMMENDATIONS

74. Overview and Scrutiny Board are asked to:
- Note that £396,000 more resources, are required for the capital programme from the Council. This will be funded from the current under-programming resources available and requires no further borrowing.
 - Note the increase in the overall capital programme of £6.063 million, and that external funding has been successfully brought into Middlesbrough, including from the Arts Council and Public Health England, as well as additional grants
 - Note the net re-profiling of £9.026 million in this review in addition to £8.816 million in the 1st Review totalling £17.842 million (30% of the original 2015/2016 budget) and the significant work identified in the report that is ongoing to address this. This does not involve any additional capital expenditure.
 - Note the overall capital programme for the period to 2017/2018 as outlined in Appendix E.

REASONS

75. To ensure that Middlesbrough Council reports on resource utilisation against approved capital budgets.

BACKGROUND PAPERS

No background papers were used in the preparation of this report:

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