



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 8 September 2022

## **EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**Meeting to be held on Wednesday 14 September 2022**

**Please see the attached report marked “to follow” on the agenda.**

**8 RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT  
PORTFOLIO - PRE-DECISION SCRUTINY**

Portfolio Holder decisions for pre-decision scrutiny.

**8a CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2022/23  
(Pages 3 - 10)**

***Copies of the documents referred to above can be obtained from  
<http://cbs.bromley.gov.uk/>***

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Report No.  
FSD22070

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACT MANAGEMENT

**Date:** For pre-decision scrutiny by the Executive, Resources and Contracts Policy Development and Scrutiny Committee on 14th September 2022

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** CAPITAL PROGRAMME MONITORING - 1<sup>ST</sup> QUARTER 2022/23

**Contact Officer:** Sean Cosgrove, Principal Accountant  
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**Chief Officer:** Director of Finance

**Ward:** All

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1. Reason for report

- 1.1 On 21st September 2022, the Executive will receive a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2022/23 and be asked to agree a revised capital programme for the four-year period 2022/23 to 2025/26. This report highlights changes to be put to the Executive and the Leader in respect of the capital programme for the Resources, Commissioning and Contract Management portfolio. The revised programme for this portfolio is set out in Appendix A, detailed comments on individual schemes are shown in Appendix B, and details of the 2021/22 outturn position are included in Appendix C.
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2. RECOMMENDATION

- 2.1 The Portfolio Holder is asked to note and acknowledge the changes to be put to the Executive on 21st September 2022.

## Impact on Vulnerable Adults and Children:

### 1. Summary of Impact:

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#### Corporate Policy

1. Policy Status: Existing Policy: capital programme monitoring is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley". The capital review process requires Council Directors to ensure that bids for capital investment provide value for money and match Council plans and priorities.
2. BBB Priority: Excellent Council

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#### Financial

1. Ongoing costs: Not Applicable
2. Budget head/performance centre: capital programme
3. Total current budget for this head: £85,554k for the Resources, Commissioning and Contract Management portfolio over the four years 2022/23 to 2025/26
4. Source of funding: capital grants, capital receipts and earmarked revenue contributions

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#### Personnel

1. Number of staff (current and additional): 1fte
2. If from existing staff resources, number of staff hours: 36 hours per week

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#### Legal

1. Legal Requirement: Non-Statutory - Government Guidance
2. Call-in: Applicable

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#### Procurement:

1. Summary of Procurement Implications:

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#### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A

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#### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Capital monitoring – variations to be put to the Executive on 21st September 2022

- 3.1 A revised capital programme will be put to the Executive on 21st September 2022, following a detailed monitoring exercise carried out after the 1st quarter of 2022/23. The base position is the programme approved by the Executive on 9th February 2022, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Resources, Commissioning and Contract Management portfolio programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.4. The revised programme for the Resources, Commissioning and Contract Management portfolio is attached as Appendix A, whilst Appendix B shows actual spend against budget in the first quarter of 2022/23, together with detailed comments on individual scheme progress. Appendix C includes details of the final outturn in 2021/22.

	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 09/02/22	23,191	29,051	9,472	545	62,259
Net underspend 21/22 rephased to 22/23 (see para 3.2)	17,938				17,938
<b>Approved programme prior to 1st quarter monitoring</b>	<b>41,129</b>	<b>29,051</b>	<b>9,472</b>	<b>545</b>	<b>80,197</b>
Net rephasing from 22/23 to future years (see para 3.3)	-243	162	40	40	0
Additional year not previously in programme - Operational Estate Maintenance Programme (Exec 09/02/22)	0	0	0	5,257	5,257
North Block solar PV Installation (Exec 30/03/22)	100	0	0	0	100
<b>Other changes not requiring approval by Executive</b>	<b>-143</b>	<b>162</b>	<b>40</b>	<b>5,297</b>	<b>5,357</b>
<b>Revised Resources Commissioning and Contract Management capital programme</b>	<b>40,986</b>	<b>29,213</b>	<b>9,512</b>	<b>5,842</b>	<b>85,554</b>

#### 3.2 Net underspend 2021/22 re-phased into 2022/23

The 2021/22 capital outturn was reported to the Executive on 29th June 2022. The variation for Resources, Commissioning and Contract Management portfolio schemes was £18.1m against a budget of £21.2m. Details of the 2021/22 outturn for this portfolio are set out in Appendix C.

#### 3.3 Variations approved at subsequent Executive meetings (£100k net increase)

At its meeting held on 30th March 2022 the Executive approved a variation of £100k to install solar panels on the roof of North Block at the Civic Centre site.

#### 3.4 Schemes re-phased from 2022/23 into future financial years

As part of the 1st quarter monitoring exercise, a total of £243k has been re-phased from 2022/23 into 2023/24 to reflect revised estimates of when expenditure is likely to be incurred. Scheme re-phasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Legal Case Management System	Cr 171	90	40	40	0
Customer Services IT System Replacement	Cr 72	72	0	0	0
<b>Total - Resources Commissioning and Contract Management</b>	<b>Cr 243</b>	<b>162</b>	<b>40</b>	<b>40</b>	<b>0</b>

## Post-completion reports

3.4 Under approved capital programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes are currently due for the Resources, Commissioning and Contract Management portfolio:

- Upgrade of Core Network Hardware
- Replacement of Storage Area Network
- Rollout of Windows 7 and Office 2000
- Replacement of MD110 Telephone Switch
- Windows Server 2003 Replacement Programme

## 4. POLICY IMPLICATIONS

4.1 Capital programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

## 5. FINANCIAL IMPLICATIONS

5.1 These will be reported in full to the Executive on 21st September 2022. Changes to be put to the Executive for the Resources, Commissioning and Contract Management portfolio capital programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Capital Programme Monitoring Qtr.1 2022/23 (Executive 21/09/2022) Capital Outturn report (Executive 29/06/22) Capital Programme Monitoring Qtr.3 2021/22 (Executive 09/02/22)

## EXECUTIVE, RESOURCES &amp; CONTRACTS PORTFOLIO - APPROVED CAPITAL PROGRAMME Q1 2022/23

Scheme	Total approved estimate	Spend up till 31.03.22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Responsible officer	Remarks
	£'000	£'000	£'000	£'000	£'000	£'000		
Emergency Works on Surplus Sites	312	236	76	0	0	0	Watkins, Mike	(Block Capital) Essential to maximise capital receipts
Property Investment Fund	112,553	97,080	15,473	0	0	0	Watkins, Mike	Various property acquisitions - met from Property Investment Fund, Growth Fund, and Capital Receipts
Civic Centre Development Strategy	15,810	350	15,460	0	0	0	Jarman, Mike	Approved Executive 18/05/16 and Council 04/07/16
Property Disposal/Feasibility Work- Growth Fund	250	205	45	0	0	0	Watkins, Mike	Executive 24th May 2017. Funded by the Growth Fund
Property Management System	175	82	93	0	0	0	Jackson, Hannah	Approved by the Leader on 10/09/2020 Funded from revenue receipts
Operational Estates Maintenance	23,757	0	3,500	7,500	7,500	5,257	Jackson, Hannah	Exec 09/02/22
North Block solar PV Installation	100	0	100	0	0	0	Bowrey, Sara	Exec 030/03/22
Health & Wellbeing Centre (Adventure Kingdom)	25,330	33	1,299	21,480	1,972	545	Watkins, Mike	Exec 09/02/22
<b>Subtotal - property division</b>	<b>178,287</b>	<b>97,987</b>	<b>36,045</b>	<b>28,980</b>	<b>9,472</b>	<b>5,802</b>		
IT Transformation	5,766	4,657	1,109	0	0	0	Shukle, Vinit	Approved by Exec 28/11/18
SharePoint Productivity Platform upgrade/replacement	1,500	1,191	309	0	0	0	Shukle, Vinit	
Customer Services IT System Replacement	761	318	300	143	0	0	Bridgewater, Duncan	
Financial Systems Replacement	1,439	475	964	0	0	0	Mullender, James	Agreed by Council on 24/02/20.
Social Care Case Management System	3,536	3,112	424	0	0	0	Chaudhry, Naheed	Exec approved 12 Sept 2018 - £2.7m from Social Care Grant and £0.3m from PCT learning scheme
HR/Payroll System Replacement	1,650	0	1,650	0	0	0	Downie, Emma	
Legal Case Management System	355	0	184	90	40	40	Iqbal, Shupriya	
<b>Subtotal - resources directorate</b>	<b>15,007</b>	<b>9,752</b>	<b>4,941</b>	<b>233</b>	<b>40</b>	<b>40</b>		
<b>Total - Resources Commissioning and Contract Management portfolio</b>	<b>193,294</b>	<b>107,739</b>	<b>40,986</b>	<b>29,213</b>	<b>9,512</b>	<b>5,842</b>		

## EXECUTIVE, RESOURCES &amp; CONTRACTS PORTFOLIO - APPROVED CAPITAL PROGRAMME Q1 2022/23

Scheme	Estimate 2022/23 as at Feb 2022 £'000	Actual Q1 2022/23 £'000	Estimate 2022/23 as at end Q1 2022 £'000	Commentary
Emergency Works on Surplus Sites	0	2	76	(Block Capital) Essential to maximise capital receipts. To prepare surplus sites for disposal and to cover any emergency works.
Property Investment Fund	0	40	15,473	Additional £15m capital receipts to fund future acquisition (approved Exec 11/02/15). Purchase for Trinity House was completed Late March/ Early April'17. Two further property purchases were approved in December Executive Meetings. £15.4m budget rephasing to be requested for Nov 2019 Exec with £150k to 2019/20, £243k to 2020/21, £5m to 2021/22 and £10m to 2022/23.
Civic Centre Development Strategy	0	14	15,460	Feasibility study has now been completed and report being prepared for Executive to determine if project proceeds to next stage.
Property Disposal/Feasibility Work-Growth Fund	0	0	45	Feasibilities being carried out on a number of schemes. These are being progressed until planning approval and on-site development by contractor is underway, and the costs will then be transferred to according scheme code.
Property Management System	0	16	93	
Operational Estates Maintenance	0	0	3,500	
North Block solar PV Installation (Exec 30/03/22)	0	0	100	New scheme - Exec 30/03/22
Health & Wellbeing Centre (Adventure Kingdom)	0	6	1,299	
<b>Subtotal - property division</b>	<b>0</b>	<b>78</b>	<b>36,045</b>	



IT Transformation	0	0	1,109	Approved by Exec 28 Nov 2018. Network hardware including UPS ordered. Total spend for 2020/21 anticipated to be approx £1.3m with remaining £348k to be rephased to 2021/22.
SharePoint Productivity Platform upgrade/replacement	0	31	309	Officers now taking a tactical solution to move to Sharepoint 2010 from 2007 version, before finally moving to new platform of Office 365. Ongoing project which is gaining momentum. This scheme will now be delivered in-line with the IT Transformation scheme to ensure there is no duplication. Anticipate spend of £800k this year with £806k to be rephased to FY21/22.
Customer Services IT System Replacement	0	22	300	System implementation and configuration work complete. System is now live. Decommissioning work of old system to commence and due for completion early 2022. £175K of budget approved by Exec to be aligned to website redesign project.  UPDATE Q1 2223 - £72k rephased from 22/23 into 23/23 - propose to seek Member approval to use this for further web/customer developments currently under investigation.
Financial Systems Replacement	0	152	964	Scheme approved by Executive on 12th February 2020 to procure and implement a new Financial System to replace the existing Oracle E-Business Suite R12, and in-house developed budget monitoring systems (EBM and FBM). The scheme was delayed slightly due to the impact of COVID-19 and essential upgrades required for other financial systems. Following the decision by the Leader in November 2020 to procure the Oracle Cloud ERP system, officers awarded a contract through the G-Cloud framework in March 2021 to Namos Solutions to implement the system. First Application Walkthrough build completed in August and the System Integration Test build is due to complete in October. Go live is currently on track for April 2022.
Social Care Case Management System	0	124	424	Programme budget agreed Sept 2018 (Report ED10868). Award of contract to purchase new system May 2020 (Report CEF20010B). Specialist resources to implement system procured, programme on track to go live by March 2022.
HR/Payroll System Replacement	0	710	1,650	The current HR/Payroll software and support contract ends in June 2023 however to allow for time for parallel run testing of payroll results in new software, any new system needs to be ready for January 2023.
Legal Case Management System	0	0	184	UPDATE Q1 2223 - we have entered into contract with Iken for the Case Management System and will also enter into contract with Bundledocs for the bundling software. The contract and associated implementation expenditure will be phased as shown.
<b>Subtotal - resources directorate</b>	<b>0</b>	<b>1,038</b>	<b>4,941</b>	
<b>Total - Resources Commissioning and Contract Management portfolio</b>	<b>0</b>	<b>1,116</b>	<b>40,986</b>	

## EXECUTIVE, RESOURCES &amp; CONTRACTS PORTFOLIO - APPROVED CAPITAL PROGRAMME Q1 2022/23

Scheme	Spend up till 31.03.22	Estimate 2021/22 as at Feb 2022	21/22 outturn	Variance	Comments/Actions
	£'000	£'000	£'000	£'000	
Emergency Works on Surplus Sites	236	76	0	Cr 76	Underspend rephased into 22/23
Property Investment Fund	97,080	5,485	13	Cr 5,473	Underspend rephased into 22/23
Civic Centre Development Strategy	350	9,460	0	Cr 9,460	Underspend rephased into 22/23
Property Disposal/Feasibility Work- Growth Fund	205	78	33	Cr 45	Underspend rephased into 22/23
Property Management System	82	175	82	Cr 93	Underspend rephased into 22/23
Operational Estates Maintenance	0	0	0	0	
North Block solar PV Installation (Exec 30/03/22)	0	0	0	0	
Health & Wellbeing Centre (Adventure Kingdom)	33	0	33	33	
<b>Subtotal - property division</b>	<b>97,987</b>	<b>15,274</b>	<b>161</b>	<b>Cr 15,113</b>	
IT Transformation	4,657	1,570	461	Cr 1,109	Underspend rephased into 22/23
SharePoint Productivity Platform upgrade/replacement	1,191	1,005	696	Cr 309	Underspend rephased into 22/23
Customer Services IT System Replacement	318	301	207	Cr 93	Underspend rephased into 22/23
Financial Systems Replacement	475	700	475	Cr 225	Underspend rephased into 22/23
Social Care Case Management System	3,112	1,613	1,189	Cr 424	Underspend rephased into 22/23
HR/Payroll System Replacement	0	775	0	Cr 775	Underspend rephased into 22/23
Legal Case Management System	0	0	0	0	
<b>Subtotal - resources directorate</b>	<b>9,752</b>	<b>5,964</b>	<b>3,028</b>	<b>Cr 2,936</b>	
<b>Total - Resources Commissioning and Contract Management portfolio</b>	<b>107,739</b>	<b>21,239</b>	<b>3,189</b>	<b>Cr 18,050</b>	