

Decision Maker: Adult & Community Services Portfolio Holder

**For pre-decision scrutiny by the Adult & Community Services
PDS Committee on 27th September 2011**

Date: 27th September 2011

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

Title: **CAPITAL PROGRAMME - 1st QUARTER MONITORING
2011/12 & FINAL OUTTURN 2010/11**

Contact Officer: Martin Reeves, Group Accountant (Technical)
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

Chief Officer: Director of Resources

Ward: All

1. Reason for report

On 20th July 2011, the Executive received the 1st quarterly capital monitoring report for 2011/12 and agreed a revised Capital Programme for the four year period 2011/12 to 2014/15. This report highlights in paragraphs 3.1 to 3.4 changes agreed by the Executive since February in respect of the Capital Programme for the Adult and Community Services (ACS) Portfolio. The report also covers any detailed issues relating to the 2010/11 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. The revised programme for this portfolio is set out in Appendix A.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the revised Capital Programme agreed by the Executive in July.

Corporate Policy

1. Policy Status: Existing policy. 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.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: Estimated cost N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A (Capital Programme)
 4. Total current budget for this head: £Total £16.8m for Adult & Community Services Portfolio over four years 2011/12 to 2014/15
 5. Source of funding: Capital grants, capital receipts and revenue contributions
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
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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? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Monitoring – variations reported to the Executive on 20th July 2011

3.1 A revised Capital Programme was approved by the Executive in July, following a detailed monitoring exercise carried out after the 1st quarter of 2011/12. The monitoring exercise resulted in a number of amendments to the approved programme, but none of these impacted on the ACS Programme. The base position was the revised programme approved by the Executive on 2nd February 2011, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the ACS Programme since February are itemised in the table below and further details are included in paragraphs 3.2 to 3.4. The revised Programme for the ACS Portfolio is attached as Appendix A.

	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
	£000	£000	£000	£000	£000	£000
Approved Programme (Executive 2/2/11)	9,275	10,858	1,639	1,020	1,020	23,812
Add: Block provisions – c/fwd requests approved by Executive 22/6/11	-269	269	-	-	-	-
Net underspends in 10/11 rephased into 11/12	-2,043	2,043	-	-	-	-
Revised ACS Capital Programme	6,963	13,170	1,639	1,020	1,020	23,812

3.2 Capital Programme Block Provisions (carry-forward of £269k from 2010/11 to 2011/12)

Under the Council's Capital Programme procedures, underspendings on the annual block provisions in the Capital Programme can only be carried forward with the approval of The Executive. Requests for carry-forward of block provision underspends need to be justifiable and reasonable. It would not be reasonable to approve a carry-forward in the event of a general underspend and Members have tended, in recent years, to only approve them in cases where work is committed as at 31st March. Overspendings on block provisions in any year are automatically deducted from the approved budget in the following year.

3.3 Final outturn on the Disabled Facilities Grants budget totalled £1,008k in 2010/11, an overspend of £17,000 on the final approved budget of £991k. Total funding of £1,277k was identified in 2010/11, however, comprising government grant of £714k and a revenue contribution of £563k, and, as a result, the total net "cost" to the Council was a credit of £269k. The Executive was advised that there was an unusually high demand for disabled facilities grants in 2010/11, as a result of which we entered 2011/12 with a higher than normal commitment. In order to prevent a possible overspend or suspension of approvals in 2011/12, the Executive agreed that the net excess funding of £269k in 2010/11 be carried forward into 2011/12.

3.4 Scheme Rephasing

There was major slippage of expenditure originally planned for 2010/11 and an overall total of £25.2m was rephased into 2011/12, including £2.0m in respect of ACS capital schemes. The majority of the slippage across the Council related to schemes financed by external grants and contributions and so will not have a major impact on future balances projections, as these grants and contributions will be available to fund expenditure from 1st April 2011. Slippage of capital spending estimates has been a recurring theme over the years and it is clear that a more realistic approach towards anticipating slippage still needs to be taken. The significant scale of Capital Programme slippage was highlighted in both the June and July reports to the Executive and the monitoring process is currently being reviewed and will be strengthened in the coming months.

2010/11 Capital Programme outturn – other issues (Post Completion Reviews)

3.3 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. No ACS schemes achieved completion in 2010/11 and, therefore, no post-completion reports are currently outstanding.

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 were reported in full to the Executive on 20th July 2011. Changes approved by the Executive to the Capital Programme for the ACS Portfolio are set out in the table in paragraph 3.1.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns June 2011. Approved Capital Programme (Executive 2/2/11). Capital Programme Outturn 2010/11 report (Executive 22/6/11). Q1 Capital Monitoring Report 2011/12 (Executive 20/7/11)