

Report No.
ES11113

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Environment Portfolio Holder

**For pre-decision scrutiny by the Environment PDS
Committee**

Date: 4th October 2011

Decision Type: Non-Urgent Executive Non-Key

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

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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 in respect of the Capital Programme for the Environment 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 the changes agreed by the Executive in July and agree that the following post-completion report be received later in the year:

Environmental Improvements (funded by LPSA Reward Grant)

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 £20.0m for Environment 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 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. In addition, the phasing of expenditure on all schemes has been reviewed and £75k has been rephased from 2011/12 into 2012/13 on the Walnuts Centre ramp repair scheme. 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 Environment Programme are itemised in the table below and further details are included in paragraphs 3.2 to 3.4. The revised Programme for the Environment 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)	8,767	4,834	3,754	3,220	4,050	24,625
Add: Chislehurst Road Bridge replacement (approved by Executive 22/06/11)	-	2,454	1,596	64	-	4,114
Changes agreed by July Executive						
- TfL – revised grant allocations	-	-91	-	-	-	-91
- Deletion of Bromley TC VMS scheme	-	-93	-	-	-	-93
Rephasing						
- Walnuts Centre – ramp repair	-	-75	75	-	-	-
Net underspends in 10/11 rephased into 11/12	-182	182	-	-	-	-
Revised Environment Capital Programme	8,585	7,211	5,425	3,284	4,050	28,555

3.2 Transport for London – revised support for highway schemes (reduction of £91k in 2011/12)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2011/12 to 2014/15 on the basis of the LIP Funding submission. Notification of an overall reduction of £91k in 2011/12 has been received from TfL and the Executive agreed in July that the programme be adjusted accordingly. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3 Bromley Town Centre – Variable Message Signing (deletion of scheme £93k in 2011/12)

The Bromley Town Centre VMS scheme has been in the Capital Programme for many years on the assumption that it would be funded by a contribution from Capital Shopping Centres. It has now been confirmed that the funding is not available and the Executive agreed in July that the budget (£93k in 2011/12) be removed from the programme.

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 £0.2m in respect of Environment 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. Further phasing adjustments have resulted in £75k being rephased from 2011/12 into 2012/13 in respect of the Walnuts Centre ramp repair scheme. 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)

3.5 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. A post-completion report on the following scheme should be submitted to the Environment Portfolio Holder during 2011/12:

Environmental Improvements (funded by LPSA Reward Grant)

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 Environment 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)