

PART 1 - PUBLIC

Decision Maker: Environment Portfolio Holder

**For pre-decision scrutiny by the Environment PDS
Committee on 15th November 2011**

Date: 15th November 2011

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - Q2 2011/12

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Chief Officer: Director of Resources

Ward: All

1. Reason for report

On 16th November 2011, the Executive will receive the 2nd quarterly capital monitoring report for 2011/12 and will be asked to agree 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 proposed to the Executive in respect of the Capital Programme for the Environment Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are included at Appendix B.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to endorse the changes recommended to the Executive in November and confirm 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 £20.5m 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 16th November 2011

3.1 A revised Capital Programme is being considered by the Executive on 16th November, following a detailed monitoring exercise carried out after the 2nd quarter of 2011/12. The base position was the revised programme approved by the Executive on 20th July 2011, as amended by any variations approved at subsequent Executive meetings. In response to the major level of slippage at the end of 2010/11, the process has been made more robust by the introduction of considerably more challenge and review. The monitoring exercise resulted in a number of amendments to the approved programme for the Environment Portfolio and these are shown in the table below. Further details are included in paragraphs 3.2 to 3.4. The revised Programme for the Environment Portfolio is attached as Appendix A and comments on individual schemes, together with latest expenditure figures, are shown in Appendix B.

	2011/12	2012/13	2013/14	2014/15	TOTAL
	£000	£000	£000	£000	£000
Approved Programme (Executive 20/7/11)	7,211	5,425	3,284	4,050	19,970
Addition of New Scheme (para 3.2)					
– Composting For All	521	-	-	-	521
Deletion of Residual Budget (para 3.3)					
– Environmental Improvements	-1	-	-	-	-1
Re-phasing of Expenditure (para 3.4)					
– Chislehurst Road Bridge	-194	258	-64	-	-
– The Hill Multi-Storey Car Park - strengthening	-62	62	-	-	-
Revised Environment Capital Programme	<u>7,475</u>	<u>5,745</u>	<u>3,220</u>	<u>4,050</u>	<u>20,490</u>

3.2 Composting For All – expansion of collection service from flats (addition of £521k in 2011/12)

On 5th April 2011, this Committee considered a report entitled “Waste Service Developments”, which recommended that funding of £521k from the London Waste & Recycling Board be used to expand the Composting For All (CFA) service to flats not currently covered, where bulk communal containers were provided for refuse and dry recyclables. Ongoing revenue costs of £66k in a full year were reported, offset by savings arising from tonnage diversion and reduction. Following scrutiny, the Portfolio Holder resolved that the Executive be asked to agree that funding of the £521k grant be allocated to support expansion of the CFA scheme and this is being recommended to the Executive on 16th November.

3.3 Deletion of residual budgets and budgets no longer required (reduction of £1k)

The LPSA-funded Environmental Improvement scheme has completed with a small underspend and the Executive is being asked on 16th November to confirm the deletion of the residual budget of £1k from the 2011/12 programme. The PDS Committee noted at its last meeting that a post-completion report on the scheme will be submitted during 2011/12.

3.4 Scheme Rephasing

In final outturn reports in June and July, the Executive and all the PDS Committees were informed of the major slippage at the 2010/11 year end, as a result of which some £25.2m had been rephased from 2010/11 into 2011/12. Members were advised that 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. This is the first monitoring report since July and, as reported, additional challenge and review has been introduced into the process. This has resulted in the changes set out in paragraphs 3.2 to 3.4 above and also in an additional appendix (Appendix B) that provides an update on the progress of all schemes in the Environment Capital Programme. Schemes are now being monitored more

closely and, in this quarter, expenditure estimates for two schemes, the Chislehurst Road Bridge and The Hill Multi-Storey Car Park, have been rephased from 2011/12 into later years.

Post-Completion Reports

3.5 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. Following the major slippage of expenditure at the end of 2010/11, Members have confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme’s non-financial objectives. At the October meeting, the PDS Committee agreed that 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)

This will continue to be included in quarterly monitoring reports to the Executive and to the PDS Committee until the post-completion report is submitted.

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 are being reported in full to the Executive on 16th November 2011. Changes recommended for approval 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 October 2011. Approved Capital Programme (Executive 20/7/11). Capital Programme Outturn 2010/11 report (Executive 22/6/11). Q2 Capital Monitoring Report 2011/12 (Executive 16/11/11)