

Decision Maker: Renewal & Recreation Portfolio Holder

For pre-decision scrutiny by the Renewal & Recreation PDS Committee on

Date: 13th December 2011

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING - Q2 2011/12

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

Chief Officer: Director of Resources

Ward: All

1. Reason for report

On 16th November 2011, the Executive received the 2nd 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 Renewal & Recreation (R&R) 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. **RECOMMENDATIONS**

The Portfolio Holder is asked to endorse the changes agreed by the Executive in November and to confirm that the following post-completion reports be received later in the year:

Walnuts Leisure Centre – roof

Biggin Hill Leisure Centre

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 £15.6m for the Renewal & Recreation 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 was 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 R&R 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 R&R 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)	7,606	3,185	4,280	10	15,081
Add: Former Chartwell Business Centre (approved by Executive 20/7/11)	300	-	-	-	300
Addition of New Schemes (para 3.2)					
- GLA Outer London Fund – Town Centres	226	-	-	-	226
Funding of 2010/11 Overspend para 3.3)					
- Walnuts Leisure Centre roof	-	-	-	-	-
Re-phasing of Expenditure (para 3.4)					
- Pavilion Leisure Centre redevelopment	-1,069	1,069	-	-	-
Revised R&R Capital Programme	7,063	4,254	4,280	10	15,607

3.2 GLA Outer London Fund support for town centres (addition of £226k in 2011/12)

In August, the Council was notified by the GLA that its bid for funding from the Outer London Fund had, in part, been successful. The total grant approved by the GLA was some £470k, of which £226k relates to capital funding for the provision of Christmas lights in 2011/12 and in later years, comprising £133k for Bromley Town Centre, £45k for Penge Town Centre and £48k for Orpington Town Centre. The remaining £244k is to cover one-off revenue expenditure in those town centres. The bids for Beckenham Town Centre and Crystal Palace were unsuccessful. On 16th November, the Executive approved the inclusion of the capital grant of £226k in the 2011/12 Capital Programme.

3.3 Funding arrangements for capital scheme overspends in 2010/11

In the Q1 capital monitoring report on 20th July 2011, the Executive was informed that the Walnuts Leisure Centre roof scheme was overspent by £57k as at 31st March 2011 and was advised that officers were looking at options to fund the overspend. The comments in Appendix B include details of how the overspend arose and the Executive agreed in November that a revenue contribution from the 2011/12 decoration programme be used to cover this. This has no impact on the overall Capital Programme. A post completion report on the scheme will be submitted to this PDS Committee before the end of 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. Some £1.2m of this related to R&R Portfolio schemes, mainly comprising slippage on the Orpington Library relocation scheme (£0.8m) and on the Central Library roof scheme (£0.2m). 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 above and also in an additional appendix (Appendix B) that provides an update on the progress of all schemes in the R&R Portfolio Capital Programme. Schemes are now being monitored more closely and, in this quarter, £1.1m of planned expenditure on the redevelopment of the Pavilion Leisure Centre has been rephased from 2011/12 into 2012/13. These are listed in the table in paragraph 3.1 and comments on all schemes in this portfolio's Programme are included in Appendix B.

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 post-completion reports on the following schemes should be submitted during 2011/12:

Walnuts Leisure Centre – roof

Biggin Hill Leisure Centre

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 were reported in full to the Executive on 16th November 2011. Changes approved by the Executive to the Capital Programme for the R&R 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)