

PART 1 - PUBLIC

Decision Maker: Renewal & Recreation Portfolio Holder

**For pre-decision scrutiny by the Renewal & Recreation PDS
Committee on 26th January 2012**

Date: 26th January 2012

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

Title: **CAPITAL PROGRAMME MONITORING Q3 2011/12 & ANNUAL
CAPITAL REVIEW 2012 TO 2016**

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 1st February, the Executive will receive a report summarising the current position on capital expenditure and receipts following the 3rd quarter of 2011/12 and presenting for approval the new capital schemes supported by Chief Officers in the annual capital review process. The Executive will be asked to agree a revised Capital Programme for the five year period 2011/12 to 2015/16. This report highlights in paragraphs 3.1 to 3.5 changes recommended to 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. **RECOMMENDATION(S)**

The Portfolio Holder is asked to endorse the changes to be considered by the Executive on 1st February.

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.
-

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: £15.4m for the R&R Portfolio over five years 2011/12 to 2015/16
 5. Source of funding: Capital grants, capital receipts and revenue contributions
-

Staff

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

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Capital Expenditure

3.1 The report to the February meeting of the Executive sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2011/12 and also seeks approval to new capital schemes supported by Chief Officers in the annual capital review process. This report identifies changes relating to the R&R Portfolio and the table in paragraph 3.2 summarises the overall position if all changes proposed, both in the Q3 monitoring exercise and in the new bid process, are approved.

Capital Monitoring – Q3 variations reported to the Executive on 1st February 2012

3.2 The base position was the revised programme approved by the Executive on 16th November 2011, as amended by any variations approved at subsequent Executive meetings (none in this quarter). In response to the major level of slippage at the end of 2010/11, the monitoring process has been made more robust by the introduction of considerably more challenge and review and, in the latest quarter, the entire approved programme has been closely reviewed with a significant number of scheme budgets being deleted. 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, together with proposed new schemes. Further details are included in paragraphs 3.3 to 3.5. The revised Programme for the R&R Portfolio is attached as Appendix A and comments on individual schemes, together with latest 2011/12 expenditure figures, are shown in Appendix B.

Capital Expenditure	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
	£000	£000	£000	£000	£000	£000
Approved Capital Programme (16/11/11)	7,063	4,254	4,280	10	-	15,607
Q3 monitoring variations						
Review of programme (para 3.3)						
- Newstead Tennis Centre	-27	-	-	-	-	-27
- Central Library – roof covering	-210	-	-	-	-	-210
- Feasibility studies	-10	-	-	-	-	-10
Re-phasing of Expenditure (para 3.4)						
- Bromley Museum at The Priory	-180	180	-	-	-	-
- Pavilion Leisure Centre	628	-628	-	-	-	-
- Chartwell Business Centre	-300	300	-	-	-	-
- Central Library/Theatre - chillers	-457	457	-	-	-	-
Total Q3 Monitoring Variations	-556	309	-	-	-	-247
New schemes (para 3.5)	-	-	-	-	-	-
Revised R&R Capital Programme	6,507	4,563	4,280	10	-	15,360

3.3 Review of approved programme – reductions / deletions (total reduction of £247k)

In the latest quarter, a detailed review has been carried out on all schemes in the programme that was approved by the Executive on 16th November 2011. As a result, reductions totalling in excess of £3.1m have been identified across the Council, including £247k relating to the R&R Portfolio. These are listed in the table above and brief comments are provided in Appendix B.

3.4 Scheme Rephasing

In final outturn reports in June and July, the Executive was 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. This is the second monitoring report since July and, as reported, additional challenge and review has been introduced into the process, as a result of which, in the Q2 monitoring report in November, a number of changes were agreed and some £9.4m was rephased from

2011/12 into later years, including £1.1m relating to R&R Portfolio schemes. The Q3 R&R monitoring exercise has resulted in changes set out in paragraph 3.3 above and also in further rephasing adjustments totalling £0.3m from 2011/12 into 2012/13. These are itemised in the table in paragraph 3.2 and Appendix B includes comments on scheme progress.

Annual Capital Review – new scheme proposals

3.5 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment. Considerably fewer bids were received than in previous years and Chief Officers agreed to recommend new schemes with a total value of £6.4m, of which just £0.8m would require funding from the Council’s resources in the four years 2012/13 to 2015/16. There were no new R&R schemes put forward in this review.

Post-Completion Reports

3.6 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 reports are 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 reported in full to the Executive on 1st February 2012. Changes recommended to the Executive for the R&R Portfolio Capital Programme are set out in the table in paragraph 3.2.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns January 2012. Approved Capital Programme (Executive 16/11/11). Q2 & Q3 Monitoring report (Executive 16/11/11 & 1/2/12). Capital appraisal forms September/October 2011. Report to Chief Officers’ Executive 21/12/11.