

PART 1 - PUBLIC

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Decision Maker: Adult & Community Services Portfolio Holder

**For pre-decision scrutiny by the Adult & Community 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

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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 Adult & Community Services (ACS) 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.
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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: £18.3m for the ACS Portfolio over five years 2011/12 to 2015/16
 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 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 ACS 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. The monitoring exercise resulted in a number of amendments to the approved programme for the ACS 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 ACS 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)	8,524	4,413	2,884	1,020	-	16,841
Q3 monitoring variations						
Revised government grants (para 3.3)						
- Personal Social Services	-	2	-	-	-	2
- London Private Sector Renewals	-	398	-	-	-	398
Re-phasing of Expenditure (para 3.4)						
- Care Standards Act 2000	-75	75	-	-	-	-
- PCT LD reprovision	-1,098	1,098	-	-	-	-
- Renovation Grants - DFG	90	-90	-	-	-	-
- Star Lane Traveller Site	-200	200	-	-	-	-
- Housing Payment-in-Lieu Fund	-401	401	-	-	-	-
- Social Care IT Infrastructure	-27	27	-	-	-	-
Total Q3 Monitoring Variations	-1,711	2,111	-	-	-	400
New schemes (para 3.5)	-	-	-	-	1,010	1,010
Revised ACS Capital Programme	6,813	6,524	2,884	1,020	1,010	18,251

3.3 Variations in government grant allocations (total increase of £400k)

Revised allocations have recently been received in respect of ACS government funding streams and the following changes to the Capital Programme were recommended to the Executive:

Personal Social Services – in December 2010, the Department of Health announced a provisional capital grant allocation of £619k in 2012/13 for social care and this was added to the 2012/13 programme. An updated grant of £621k was announced in December 2011 and a further £2k needs to be added. This grant is not ring-fenced and the approval of the Executive will be required before the grant can be drawn down.

London Private Sector Renewal schemes – a further (and final) payment of £398k has been received from the South East London Partnership, which is now being wound up. The funding has been programmed to be spent in 2012/13.

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 £4.6m relating to ACS Portfolio schemes. The Q3 ACS monitoring exercise has resulted in the grant funding changes set out in paragraph 3.3 above and also in further rephasing adjustments totalling £1.7m 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. The only ACS scheme put forward was for Renovation Grants (Disabled Facilities) in the sum of £1,010k in 2015/16. This is a continuation of the annual provision for DFGs and is funded by a combination of government grant (£710k) and earmarked revenue contribution (£300k).

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. While no post-completion reports are currently due for completed ACS schemes, this quarterly report will monitor the future position and will highlight any future reports required.

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 ACS 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.