

Decision Maker: Environment Portfolio Holder

Date: For Pre-Decision Scrutiny by the Environment Policy Development and Scrutiny Committee on Tuesday 25 September 2012

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME - 1ST QUARTER MONITORING 2012/13 & FINAL OUTTURN 2011/12**

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Chief Officer: Director of Resources

Ward: (All Wards);

1. Reason for report

On 25th July 2012, the Executive received the 1st quarterly capital monitoring report for 2012/13 and agreed a revised Capital Programme for the four year period 2012/13 to 2015/16. The report also covered any detailed issues relating to the 2011/12 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. 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 revised programme for this portfolio is set out in Appendix A.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to confirm the changes agreed by the Executive in July.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services.
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: N/A (Capital Programme)
 4. Total current budget for this head: £17.7m for the Environment Portfolio over four years 2012/13 to 2015/16
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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Staff

1. Number of staff (current and additional): 0.25 fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: 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 Monitoring – variations agreed by the Executive on 25th July 2012

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2011/12 and a detailed monitoring exercise carried out after the 1st quarter of 2012/13. The base position was the revised programme approved by the Executive on 1st February 2012, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Environment Portfolio 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.

Capital Expenditure	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
	£000	£000	£000	£000	£000	£000
Approved Capital Programme (01/02/12)	6,553	6,291	3,220	4,050	4,050	24,164
Add: Bromley Town Centre – increased parking (Executive 23/05/12)	-	520	-	-	-	520
<u>Variations agreed by Executive 25/07/12</u>						
Transport for London – revised grant	-	-206	-	-	-	-206
Carbon Management - adjustment	-	138	-	-	-	138
Net overspends in 11/12 rephased into 12/13	327	-327	-	-	-	-
Revised Environment Programme	6,880	6,416	3,220	4,050	4,050	24,616

3.2 Transport for London – revised support for highway schemes (reduction of £206k in 2012/13)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2012/13 to 2015/16 on the basis of the bid in our Borough Spending Plan (BSP). The Executive was informed that notification of an overall reduction of £206k in 2012/13 had been received from TfL and approved a reduction to the programme. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3 Carbon Management – budget adjustment (increase of £138k in 2012/13)

The carbon management capital scheme was included in the programme some years ago on the basis of 50/50 funding by both the Council and its partner Salix. Previous capital monitoring reports reduced the total budget to £362k, but it should be £500k (£250k from each partner) and the Executive approved the addition of £138k to reinstate the total budget to £500k.

3.4 Scheme Rephasing

In reports to both the June and July meetings, the Executive was informed of the final outturn for capital expenditure in 2011/12 and noted that the overall level of slippage into later years (some £6.9m) was significantly lower than in previous years. Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that, following a review of the system for capital monitoring and for estimating the phasing of expenditure, carried out after the 2010/11 final outturn, a more realistic approach towards anticipating slippage was taken in setting the revised estimates in February. There was a net overspend of £0.3m on Environment Portfolio schemes (mainly on the Chislehurst Road Bridge scheme) and 2012/13 budgets have been reduced in total to rephase the expenditure back from 2012/13 into 2011/12. This is analysed in the following table. At this early stage in the year, no further rephasing opportunities have been identified.

Scheme slippage from 2011/12 into 2012/13	2011/12 Budget (Feb 12)	2011/12 Outturn	2011/12 Under/Over spend	2012/13 Budget (Feb12)	Slippage from 2011/12	2012/13 Revised Budget
	£000	£000	£000	£000	£000	£000
Chislehurst Road Bridge replacement	1,669	2,059	390	2,445	-390	2,055
Orpington Public Realm improvements	73	37	-36	30	36	66
Station Road Car Parks – misc works	21	-	-21	-	21	21
The Hill Car Park – strengthening works	218	212	-6	62	6	68
TOTAL SLIPPAGE (overspend rephased)			<u>327</u>		<u>-327</u>	

2011/12 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. Following the major slippage of expenditure at the end of 2010/11, Members 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 Environment Portfolio 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 were reported in full to the Executive on 25th July 2012. Changes agreed by the Executive for the Environment Portfolio Capital Programme 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 2012. Approved Capital Programme (Executive 1/2/12). Capital Programme Outturn 2011/12 report (Executive 20/6/12) and Q1 monitoring report (Executive 25/7/12).