

---

**Decision Maker:**        **EDUCATION PORTFOLIO HOLDER**

**FOR PRE-DECISION SCRUTINY BY THE EDUCATION BUDGET  
SUB-COMMITTEE ON 25<sup>TH</sup> SEPTEMBER 2012**

**Date:**                         **Tuesday 25 September 2012**

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

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

**Contact Officer:**        Martin Reeves, Principal Accountant  
Tel: 020 8313 4291    E-mail: martin.reeves@bromley.gov.uk

**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 3.3 changes agreed by the Executive in respect of the Capital Programme for the Education 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 and agree that the following post-completion reports be received later in the year:**

- Bickley Primary School – expansion
- Princes Plain Primary School - expansion
- The Highway Primary School – partial rebuild
- Hawes Down Co-Location
- Priory School – Local Learning Centre

### 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:
- 

### 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: £23.9m for the Education Portfolio over four years 2012/13 to 2015/16
  5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
- 

### 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
- 

### Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
  2. Call-in: 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 Monitoring – variations agreed by the Executive on 25<sup>th</sup> 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 Education Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 and 3.3. The revised Programme for the Education 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)	31,872	15,762	592	592	590	49,408
<u>Less: Scheme moved between portfolios</u>						
Children's Social Workers – mobile technology (to Care Services Portfolio)	-56	-	-	-	-	-56
Add: Schools Basic Need – 2012/13 grant allocation (para 3.2)	-	2,500	-	-	-	2,500
Net underspends in 11/12 rephased into 12/13 (para 3.3)	-3,873	3,873	-	-	-	-
<b>Revised Education Programme</b>	<b>27,943</b>	<b>22,135</b>	<b>592</b>	<b>592</b>	<b>590</b>	<b>51,852</b>

#### 3.2 Schools Basic Need grant funding (addition of £2,500k in 2012/13)

The July Executive noted that the approved Capital Programme did not include the 2012/13 Department for Education Basic Need grant allocation of £2.5m, which had been notified recently, and approved the inclusion of this in the programme.

#### 3.3 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. Some £3.9m of the overall slippage from 2011/12 into 2012/13 related to Education Portfolio schemes and this is analysed in Appendix B. At this early stage in the year, no further rephasing opportunities have been identified.

#### 2011/12 Capital Programme outturn – other issues

3.4 Only one scheme was reported as overspent as at 31<sup>st</sup> March 2012, the Highway Primary School rebuild scheme. The former CYP PDS Committee and the Executive had previously been advised of contractual issues and an overspend position and had agreed to allocate £650k of Basic Need grant to support the scheme. The overspend as at 31<sup>st</sup> March 2012 (£141k) has been covered by this, with the remaining £509k being included in the scheme budget for 2012/13.

## 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. Post-completion reports on the following schemes should be submitted to the Education PDS Committee during 2012/13:

- Bickley Primary School – expansion
- Princes Plain Primary School - expansion
- The Highway Primary School – partial rebuild
- Hawes Down Co-Location
- Priory School – Local Learning Centre

## 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 25<sup>th</sup> July 2012. Changes agreed by the Executive for the Education Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	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).